

By Mr. ROTH (for himself, Mr. LOTT, Mr. BREAUX, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. ABRAHAM, Mr. KYL, Mr. HELMS, Mr. D'AMATO, Mr. CRAIG, Mrs. HUTCHISON, Mr. MCCONNELL, Mr. THOMAS, Mr. SMITH, Mr. DEWINE, Mr. INHOFE, Mr. BRYAN, Mr. ROBERTS, Ms. MIKULSKI, Mr. SMITH, Mr. HATCH, Mr. BENNETT, Mr. KEMPTHORNE, Mr. INOUE, Mr. ENZI, Mr. FORD, Mr. BURNS, Mr. LIEBERMAN, Mr. HAGEL, Mr. GRAMM, Mr. DODD, Ms. COLLINS, Mr. GREGG, Mr. GRAMS, Mr. BOND, and Mr. KOHL):

S. 197. A bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes; to the Committee on Finance.

By Mr. MCCAIN:

S. 198. A bill to prohibit campaign expenditures for services of lobbyists, and for other purposes; to the Committee on Rules and Administration.

S. 199. A bill to require industry cost-sharing for the construction of certain new federally funded research facilities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. AKAKA (for himself and Mr. INOUE):

S.J. Res. 10. A joint resolution to consent to certain amendments enacted by the Legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. LUGAR:

S. Res. 20. A resolution authorizing expenditures by the Committee on Agriculture, Nutrition and Forestry; from the Committee on Agriculture, Nutrition, and Forestry; to the Committee on Rules and Administration.

By Mr. LOTT (for himself, Mr. MCCAIN, Mr. COATS, and Mr. STEVENS):

S. Res. 21. A resolution to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in *Sen. Robert C. Byrd, et al. v Franklin D. Raines, et al.*; considered and agreed to.

By Mr. LOTT (for himself, Mr. DASCHLE, and Mr. KERRY):

S. Res. 22. A resolution relative to the death of the Honorable Paul Tsongas, formerly a Senator from the Commonwealth of Massachusetts; considered and agreed to.

By Mr. CONRAD (for himself, Mr. DORGAN, Mr. DODD, Mr. BIDEN, Ms. MOSELEY-BRAUN, and Mr. DASCHLE):

S. Con. Res. 4. A concurrent resolution commending and thanking Honorable Warren Christopher for his exemplary service as Secretary of State; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON:

S. 179. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on Rules and Administration.

THE CAMPAIGN FINANCE REFORM AND DISCLOSURE ACT OF 1997

Mrs. HUTCHISON. Mr. President, the bill that I introduce is the Campaign Finance Reform and Disclosure Act of

1997. This important legislation will correct several of the abuses that we have seen take place under the present system and will demonstrate to the American people that we in Congress intend to do everything possible to bring campaign-related activities into the light of day. Moreover, this bill will not force the American taxpayer to further subsidize Federal campaigns, nor will it impose an elaborate new system of costly and burdensome campaign regulations. First, the act will require that at least 60 percent of a Senate candidate's campaign funds come from individuals within that Senator's home State. It will terminate the mass mail franking privilege for Senators during the year in which he or she is seeking election, and thereby end one of the more substantial advantages of incumbents over challengers.

The bill will also make the contribution limits for political action committees equal to those in place for individuals, and will index that uniform limit to the rate of inflation. I believe PAC's serve a beneficial and necessary purpose in our system by allowing groups of individuals, whether at their place of employment, through an issue advocacy group, or elsewhere, to participate in a more direct way in the grassroots political process that is at the heart of our electoral system. But I want those PACs to have the same allowances and the same limitations as individuals, so that one does not have a disproportionate advantage over the other. The bill accomplishes this in a simple and responsible way by leveling the playing field between people who contribute to candidates directly and those who choose to leverage their contribution through PAC's. Individuals who wish to contribute money should continue to have that choice.

However, I do not believe that candidates should have the right to buy and then resell their office. Therefore, this bill will also place a limitation of \$250,000 on the amount that a congressional candidate may repay himself from campaign funds for personal loans he or she makes to the campaign. Again, this will help level the playing field for all candidates.

In addition, the Campaign Finance Reform and Disclosure Act will ban once and for all campaign contributions by noncitizens. The use of campaign funds for personal use will also be totally banned. And political parties will be prohibited from accepting contributions earmarked for specific candidates, thereby bypassing the limitations that are in our laws today.

Mr. President, these are the main provisions of my legislation to reform our campaign finance laws. As the Senate continues to address this most important issue, I encourage my colleagues to review these simple and workable proposals and to answer the American people's call for reform in this area.

By Mrs. HUTCHISON:

S. 180. A bill to amend the Internal Revenue Code of 1986 to allow married individuals to contribute to an IRA even if their spouse is a participant in a pension plan; to the Committee on Finance.

HOMEMAKER IRA LEGISLATION

Mrs. HUTCHISON. Mr. President, this bill closes a loophole in the homemaker IRA bill that we passed in the last Congress. We made the homemakers of our country equal to wage earners in their ability to save for their retirement futures through individual retirement accounts. Presently, every person who is working at home or working outside the home can set aside \$2,000 a year that earns tax-free interest for their retirement security. However, what families are not able to do under existing law and what this bill will enable them to do, up to \$40,000 in income, is to save under a homemaker IRA even if the homemaker's spouse has a pension plan. This revision is critical to encourage average-income families to save for their retirement.

Mr. President, if our young people will avail themselves of this wonderful new opportunity which Congress has given them to allow homemakers as well as those who work outside the home to contribute \$2,000 a year to an IRA, by the time they retire at age 65, they will be able to build a nest egg of a remarkable \$1 million, if they both start contributing the maximum allowable amount from age 25—\$1 million for this working, one-income family. If they even wait until they are 35, they would be able to build up \$500,000 for retirement.

This is an opportunity that I hope every young couple will look at and take advantage of to provide for their retirement security. Last year we in Congress did the right thing by extending the IRA to homemakers. Now we simply need to ensure that this opportunity is available to all families of up to \$40,000 of income. This bill will do just that.

By Mr. GRASSLEY (for himself, Mr. DORGAN, Mr. GORTON, Mr. BAUCUS, Mr. LOTT, Mr. NICKLES, Mr. GRAMM, Mr. HATCH, Mr. BREAUX, Ms. MOSELEY-BRAUN, Mr. CONRAD, Mr. KERREY, Mr. DASCHLE, Mr. SHELBY, Mr. BUMPERS, Mr. HUTCHINSON, Mr. MCCAIN, Mrs. FEINSTEIN, Mr. CAMPBELL, Mr. HARKIN, Mr. CRAIG, Mr. KEMPTHORNE, Mr. DURBIN, Mr. LUGAR, Mr. COATS, Mr. BROWNBACK, Mr. ROBERTS, Mr. FORD, Mr. MCCONNELL, Mr. SARBANES, Ms. SNOWE, Mr. ABRAHAM, Mr. GRAMS, Mr. BOND, Mr. COCHRAN, Mr. BURNS, Mr. HELMS, Mr. HAGEL, Mr. BINGAMAN, Mr. DEWINE, Mr. INHOFE, Mr. WYDEN, Mr. JOHNSON, Mrs. HUTCHISON, Mr. WARNER, Mrs. MURRAY, Mr. ENZI, Mr. KOHL, Ms. MIKULSKI, Mrs. BOXER, Mr. ROBB, Mr. GREGG,

Mr. ASHCROFT, and Mr. WELLSTONE):

S. 181. A bill to amend the Internal Revenue Code of 1986 to provide that installment sales of certain farmers not be treated as a preference item for purposes of the alternative minimum tax; to the Committee on Finance.

THE FAMILY FARM ALTERNATIVE MINIMUM TAX RELIEF ACT OF 1997

Mr. GRASSLEY. Mr. President, today, as I introduce this legislation called the Family Farm Alternative Minimum Tax Relief Act of 1997, it is a way that 54 of us in this body—and we will still yet get more cosponsors, I am sure—are saying, “Shame on the Internal Revenue Service.” This is our effort to hold the tax-collecting bureaucracy of the U.S. Government accountable to what Congress intended. We are holding them accountable to the taxpayers, and we will reduce somewhat the power of the IRS which comes through intimidation. I have worked very closely with three other Senators in a bipartisan fashion, Senator DORGAN, Senator GORTON, and Senator BAUCUS. I thank them for their leadership and their cooperation. We have been joined now by 50 of our colleagues in a broad bipartisan effort, with the support of the leadership of both parties, meaning Senator LOTT and Senator DASCHLE. I think that the sort of membership cosponsoring this legislation speaks louder, frankly, than anything I can say about the rationale behind this bill.

This bill repeals a very large problem created by the IRS regarding farmer-deferred contract arrangements. The problem is currently at a crisis level because it is income tax time. Particularly, it is income tax time for the farmers of America who must file earlier than others.

The IRS has found a way to tax farmers for their deferred sales contracts. This is contrary to congressional intent. I know the Presiding Officer is from Kansas and he understands this, but some might not. A deferred sales contract is a situation where a farmer delivers his crop this year and gets paid by the local cooperative elevator, or privately owned elevator, or some other buyer next year. Since Congress intends farmers to be able to use the cash accounting method, deferred contracts have been a perfectly acceptable method to defer income to another year for taxation. It has been perfectly legal over a long period of time.

Now the IRS has unilaterally decided to deem these traditional deferred sales contracts as if, in the words of the IRS, these were “installment sales” agreements. The problem is that installment sales are subject to the alternative minimum tax. Then, of course, by doing this, the IRS puts the family farmer in trouble for things that, over a long period of time, have been entirely legal.

This IRS initiative is a way for the IRS to deny farmers the use of the cash accounting method. When Congress

passed the Tax Reform Act of 1986, it specifically intended that farmers retain the cash accounting method. That same act repealed the income averaging method for farmers. Income averaging was a way for farmers to level out their regularly large fluctuations of income between years. Farmers can have those fluctuations because, while local farmers are affected by local weather and the weather all over the world.

Listen to the prices of soybeans today. You will find that whether or not it rains right now in Brazil or Argentina is impacting the price of soybeans in Iowa and Kansas. The crop prices are affected by crop disease and a host of other things that ordinary taxpayers take for granted, that farmers have no control over. When income averaging was repealed, Congress intended farmers to retain the cash method of accounting. We are here today with this bill because the IRS has effectively repealed cash accounting, in opposition to the intent of Congress.

Cash accounting is repealed because the traditional deferred sales contracts are the practical application of cash accounting. By applying the alternative minimum tax, IRS has repealed the deferral in deferred contracts. They are contracts but no longer deferred income. Thus, the IRS has unilaterally broken the promise that Congress made to farmers, and our legislation rights that wrong.

Ironically, the IRS knows it is in the wrong on this matter, but, of course, the IRS is going to go ahead anyway. After all, they encourage, from the top to the bottom of the IRS bureaucracy, auditors to go out and find all the income they can to tax, and to stretch the law as far as they can. And if they do it in this instance, in the case of taxing deferred sales contracts, do you think the Internal Revenue Commissioner or the Secretary of the Treasury is going to say to some auditor out there—slap their hands and say, “You are wrong”? No, they are not going to do that. That would be the right thing to do, but they are not going to do that because that would discourage this attitude we have had in the IRS. They want to go out and get every dollar they can, even if they have to stretch the law to do it.

Well, in a sense, the Secretary of the Treasury, Robert Rubin—and I thank him—and IRS Commissioner Richardson—and I thank her—have agreed that this problem results from what they call legislative oversight in 1986, because they do not want to say their auditors may be wrong. So, they have agreed, in the spirit of this Presidency, this second term of office, that we are going to be bipartisan and we are going to work together to solve these problems. So Secretary Rubin and IRS Commissioner Richardson have said they would not oppose this legislation. They agree that Congress did not intend for farmer deferred contracts to

make these contract incomes subject to the AMT. However, as I indicated, these two individuals believe they still must enforce what they know to be a bad law. Hence, the urgent need for our legislation.

You know, it would be really simple for the Commissioner to say, “We are wrong. We are not going to collect this money.” But they cannot do that, presumably.

Not only is this ruling of the IRS effective right now and into the future, it is also retroactive. It is retroactive because, since it is a new interpretation of an old law, the IRS can pretend it has not changed its position, though it obviously has. Since it is retroactive, farmers are exposed to audit, not only for the current year and upon future years, but also on previous years. This problem is now in crisis proportions for farmers. The IRS made its retroactive change in October of 1996. At that time, much of the 1996 crop was already harvested. Farmers had already entered the traditional binding deferred contracts. They normally do this throughout the 12 months of the year. So, do we wonder why it is all of a sudden a crisis among farmers?

Before the IRS release, farmers had every reason to believe they would enjoy the same legal tax treatment previously allowed by IRS.

Congress and the President must address and solve this problem as soon as possible. Farmers are required to file their tax returns before March 1, 1997. This is unlike most other taxpayers who have until April 15. If Congress waits until after March 1 to fix this problem, then hundreds of thousands of farmers all across this country will already have been injured.

The IRS knows it is wrong on this issue, but it is out of control. It injures its own public relations by actions such as this. It is a sad commentary that it takes an emergency action of Congress to make the IRS do its job as Congress intended. Nonetheless, our bill will do exactly that.

Mr. President, besides being on the Finance Committee where this legislation will be considered, I happen to also be a member of a commission the Congress set up last year to restructure the IRS. There are two Senators, two House Members, and 13 people from the private sector on that commission. We have 1 year from last fall to make our report to the Congress.

The charter from the Congress to all 17 of us is to, in a sense, make the IRS more user friendly. Although we are at the same time kept from recommending changes in tax policy, how we administer the existing Tax Code is what we are dealing. We are examining how the IRS does its work and what we can do to enhance that from an efficiency standpoint. We want to save the taxpayers money and also to make IRS more customer friendly.

After 6 months of being on this commission—though the ultimate good is

making the IRS more efficient and more customer friendly—it is my opinion that we need to make the Tax Code so simple that every single taxpayer understands the Tax Code as well as any IRS auditor understands that Tax Code. The complexity of the Tax Code gives the IRS its power. It is the mystery of the Tax Code, a mystery that the bureaucrat can sort through and understand, and the inability of the taxpayer to do that which brings the power of the auditor that gives IRS its power. The power to intimidate comes through the tax system.

So I ask my colleagues to observe the action of the commission to restructure the IRS and work with Senator KERREY from Nebraska and myself as representatives of the Senate on this issue. Let us know your opinions, but also understand that the complexity of the Tax Code is the major problem that we must fix. The bill that I am introducing today is just one very small example of the complexity of the Tax Code. It is an action against the intimidation of the IRS and impacts. In most cases, IRS usually attacks maybe just a few hundred taxpayers throughout the United States on some issues. On this particular issue, affecting a practice that has been legal by the farmers of the United States of America for decades, they are attacking thousands and thousands. They want farmers to think that all of a sudden what they have been doing is now presumably wrong.

I hope that Congress will work very quickly to pass this legislation before that March 1 deadline. It is badly needed to prevent an irreparable injury to farmers, and to make the Tax Code more understandable for the taxpayers. We also are sending a clear signal to the IRS: Shame on you.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

S. 181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Farm Alternative Minimum Tax Relief Act of 1997".

SEC. 2. MINIMUM TAX NOT TO APPLY TO FARMERS' INSTALLMENT SALES.

(a) IN GENERAL.—The last sentence of paragraph (6) of section 56(a) (relating to treatment of installment sales in computing alternative minimum taxable income) is amended to read as follows: "This paragraph shall not apply to any disposition—

"(A) in the case of a taxpayer using the cash receipts and disbursements method of accounting, described in section 453(1)(2)(A) (relating to farm property), or

"(B) with respect to which an election is in effect under section 453(1)(2)(B) (relating to timeshares and residential lots)."

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning after December 31, 1987.

(2) SPECIAL RULE FOR 1987.—In the case of taxable years beginning in 1987, the last sentence of section 56(a)(6) of the Internal Revenue Code of 1986 (as in effect for such taxable years) shall be applied by inserting "or in the case of a taxpayer using the cash receipts and disbursements method of accounting, any disposition described in section 453(1)(2)(A)" after "section 453C(e)(4)".

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, December 19, 1996.

Hon. CHARLES E. GRASSLEY,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRASSLEY: Thank you for giving me the opportunity to meet with you to discuss your concerns about an Internal Revenue Service Technical Advice Memorandum or TAM concerning the tax treatment of farmers. The TAM stated that farmers utilizing deferred payment contracts for the sale of farm commodities were required to include the amount of the advanced sale for Alternative Minimum Tax or AMT purposes in the year of sale.

As I told you in our meeting, we believe that this TAM correctly interprets current law. I understand that Congress may consider legislation early next session to change this result for farmers who use the cash method of accounting. As you may be aware, Secretary Rubin, in a letter to Senator Daschle on the same issue, stated the following regarding this legislative change, "We would support the goals of this effort, as a reasonable tax policy, and recognize it is likely that Congress was not aware of the effect that its 1986 amendments to the AMT would have on farmers. I welcome the opportunity to work with you to address this matter through corrective legislation."

We also will be pleased to work with you and Treasury on the corrective legislation. Please feel free to contact me if I can be of any further assistance.

Sincerely,

MARGARET MINER RICHARDSON.

Mr. DORGAN, Mr. President, today Senator GRASSLEY and I are introducing legislation called the Family Farm Alternative Minimum Tax Relief Act. This legislation deals with a tax matter affecting farmers that is a foreign subject to some people. But, simplified, what has happened is the Internal Revenue Service has turned logic on its head and said to family farmers, "We're going to ask you to pay taxes on income you have not yet received." There is no basis for them doing that. That is not what we ever intended them to do.

It is not the way they interpreted the law previously or the instructions for IRS auditors and accountants all across the country or farmers across the country, but they have now decided to change the way they do business. The brain is apparently disconnected from the hand, and the hand writes that farmers should pay taxes on income they have not received.

I introduced the first piece of legislation on this. The Senator from Washington pointed out it was introduced in the House. But 18 months before it was introduced in the House in the last Congress, I introduced legislation to try to correct this.

When we introduced it today, Senator GRASSLEY from Iowa and I have

organized a group of 54 Senators who support this legislation, including the cosponsorship of the Republican leader and the Democratic leader, including the support of the Treasury Secretary and of the agricultural community.

We are going to pass this. It ought not be necessary for us to pass this legislation, because the IRS should not have made the mistake it made. It should not have turned logic on its head. But we must pass it because in this country when the IRS makes a mistake, everybody pays. Somebody once said, "You have a right to be wrong in America." But the IRS does not have that right. When they are wrong in this case, family farmers are going to have to pay unfairly. And we are going to change that.

Mr. President, today I'm joined by Senator GRASSLEY and a majority of our colleagues in the Senate in reintroducing my legislation to rectify a serious tax problem confronting our family farmers.

The Internal Revenue Service [IRS] has, in my opinion, mistakenly taken a position that threatens to hit many farmers with huge tax bills for using deferred payment commodity contracts, which have been routinely used in their businesses for decades. In my judgment, the IRS's position is dead-wrong and is going to impose an unintended and unacceptable financial hardship on the farming industry.

For years, family farmers have used deferred payment contracts to sell their commodities in order to better manage their business income. For example, a typical grain contract between a farmer and grain elevator calls upon a farmer to sell and deliver grain to a grain elevator—often because the farmer does not have adequate storage—for a fixed amount. In many cases, one or more payments paid by the elevator to the farmer under the contract occur after the close of the farmer's taxable year.

For regular tax purposes, farmers are allowed to defer income from the deferred payments under the grain contracts in computing their regular tax liability. But because the IRS apparently now views all deferred payment grain contracts as installment sales, it now requires them to add back this income in computing the Alternative Minimum Tax [AMT] in the tax year preceding the year of payment. As a result, thousands of family farmers are potentially facing hefty tax bills because they are being whip-sawed by a new IRS policy which effectively repeals their ability to use such contracts, and to benefit from the cash basis method of accounting.

To make matters worse, many farmers were advised by tax experts and IRS field representatives, for that matter, that some traditional deferred payment commodity contracts will not amount to an installment sale that would require an AMT calculation. For this reason, many farmers have not made AMT adjustments on their income tax returns. Now they are being

told by the IRS that they may owe large tax bills on income that they will not receive until later. This position is based upon an incorrect interpretation by the IRS which ignores the fact that our family farmers are, by law, permitted to manage their business operations on a cash basis.

That's why we are reintroducing my legislation from the last Congress to ensure that our family farmers are allowed to engage in deferred payment transactions and get the same kind of tax treatment they have always received.

We do not believe that Congress intended this kind of tax treatment for farmers using deferred payment commodity contracts for legitimate business purposes. Moreover, Treasury Department officials, who agree that this misguided IRS position was likely not the intent of Congress, support the goals of this effort as "reasonable tax policy, and * * * welcome the opportunity to work with Congress to address this matter through corrective legislation."

Our bill simply makes clear the original intent of Congress which is to allow farmers to continue to receive the tax benefit provided from the use of cash method accounting and from installment sales for their deferred payment transactions.

I urge my colleagues to include this much-needed legislation—which is strongly supported by the agricultural community—in any revenue measure considered by the Senate this year. This measure needs to be considered quickly to resolve any lingering doubt about the correct tax treatment for farmers using deferred commodity contracts.

Mr. ABRAHAM. Mr. President, today I join several of my colleagues in cosponsoring the Family Farm Alternative Minimum Tax Relief Act of 1997. This legislation will permit farmers to continue to defer tax liability through the use of deferred payment contracts.

Like other businesses, farmers are subject to the same peaks and valleys in consumer demand that govern product pricing and earned income. Unlike other businesses, however, farmers are also subject to the uncertainties of Mother Nature. In agriculture, poor growing seasons are inevitable. Probably every farmer has had a crop devastated by harsh weather or been challenged to feed their livestock because of resulting shortages.

The ability to defer tax liability on deferred payment contracts helps farmers prepare for these difficult times. To put it simply, deferred payment contracts allow farmers to receive a portion of payment on a crop in the next year. In addition to deferring payment, farmers also defer their resulting tax liability to the following year. Deferring payments and tax liabilities is a limited form of income averaging that allows individuals to cope with seasonal difficulties.

Now, a recent IRS decision has put this important economic tool in jeop-

ardy. The IRS has stated that payments made under a deferred payment contract are subject to the Alternative Minimum Tax [AMT]. Under the IRS ruling, taxes on the latter year's payments are now due in the first year of the contract. With the sudden repeal of deferred tax liability, farmers all across the country now face unexpected, sizable tax bills and many could be driven out of business. This is absolutely unacceptable.

Mr. President, for the sake of this Nation's farmers, the IRS interpretation must be repealed. Since 1986, the only tool left for deferring tax liability has been the use of deferred payment contracts. In just the last 4 years, however, farmers in the midwest have suffered one of the centuries worst floods, the west has endured a terrible drought and last year, a long winter and tremendous rainfall significantly reduced Michigan's drybean, soybean, corn, and wheat harvests.

The Family Farm Alternative Minimum Tax Relief Act of 1997 will permit farmers to continue to defer tax liability through the use of deferred payment contracts and I am pleased to be a cosponsor. With tax time fast approaching, I hope that this bill can be acted upon by both Chambers of Congress and sent to the President for his signature as soon as possible.

Mr. President, the President of the Michigan Farm Bureau, Jack Laurie, recently explained the significance of the IRS's ruling in the Michigan Farm Bureau's Farm News. I think this article illustrates clearly the reasons why this legislation is necessary and I ask unanimous consent that this article be printed in the RECORD.

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

RECENT TAX POLICY ISSUES PROFOUND FOR
AGRICULTURE

As the year draws to a close, many of us will be making crucial tax management decisions as a normal course of business. Making advance purchases of inputs for next year, delaying sales, and/or deferred payment contracts allow producers to manage tax burdens in good and in bad years.

Tax code provisions, such as cash accounting and deferred payment contracts, provide important financial and tax management tools for producers. Recognizing the impact of budget cuts for agricultural programs, Congress included language in the 1996 budget resolution that pledged to reexamine agricultural cuts unless, among other things, Congress acted to provide mechanisms to allow farmers to average tax loads over strong and weak income years.

Several pieces of Farm Bureau-supported legislation to allow income averaging were considered by the 104th Congress but were not enacted into law. Farm Bureau will be working to secure their passage as the bills are reintroduced next year.

Farm Bureau supports the option of cash accounting for farmers and the continuation and expansion of tax code provisions that allow farmers to match income with expenses. Farm Bureau also supports the reinstatement of income averaging for farm income and the creation of "farmer savings plans," which would allow farmers to put

money into a pre-tax account for use during emergencies.

Farmers are also at risk of losing another tax management tool, thanks in large part to a recent change in tax policy interpretation by the Internal Revenue Service in how the agency will treat deferred payments. Recent rulings in Washington state and in Iowa penalize farmers attempting to average their income and tax burdens from year to year through the use of deferred payment contracts.

The IRS has begun classifying deferred payment contracts as a tax preference by allowing farmers to delay income through deferred payment contracts for their regular tax calculation but not for their Alternative Minimum Tax calculation, which can result in additional tax liabilities for farmers.

Several farmers in Washington state and Iowa are currently being examined by the IRS regarding the use of forward contracting in the sale of their crops. At least 35 Washington farm families are currently in IRS appeals awaiting the opinion of the Tax Court. Commodities included in the proposed adjustments include sweet corn, beans, hogs, potatoes, onions, and various seed crops.

Why is the IRS pursuing this issue? The answer is pretty simple. By disallowing farmers to defer income into the next year via deferred payment, they essentially throw two years of income into one year. This in turn increases the amount of taxes due, significantly, in some cases. There has been no change in the law, only a change in the IRS interpretation.

Legislation was introduced last year to provide that installment sales not be treated as preference with respect to the Alternative Minimum Tax. This language would have retroactively exempted farmers who entered into deferred payments contracts from being subject to Alternative Minimum Tax.

Unfortunately, this legislation did not pass. However, there is already a movement underway to pursue this issue again at the start of the next congressional session. Several senators from Iowa, North Dakota, Montana, and Washington will introduce legislation in January to clarify that deferred payment contracts are not a tax preference item that subjects farmers to AMT.

Michigan Farm Bureau will be working to secure the support of Sens. Carl Levin and Spencer Abraham for this legislation. As you go through the process of completing your farm books and begin tax preparation, I encourage you to take a moment to let your respective U.S. Representative and both of your Senators know how vital these tax management tools are and what their loss will mean to your operation.

Sincerely,

JACK LAURIE,
President.

Mr. CAMPBELL. Mr. President, today my colleagues, Senators CHUCK GRASSLEY and BYRON DORGAN, introduced legislation which will correct a tax problem facing many farmers across the country, including many in the State of Colorado. Along with over 40 of my Senate colleagues, I am pleased to join Senators GRASSLEY and DORGAN as an original cosponsor to this bill.

Farmers have typically used the deferred payment contract system as a means for managing their business income. It is common for a farmer to forward contract to sell a product. Under this type of contract, a farmer may deliver the product in a given tax year, and he may not receive one lump-sum

payment at the time of delivery. In fact, the payments may be spread over 2 tax years.

Up until recently, the farmer was taxed on this income only for the actual amount received in a given tax year. However, last October, the Internal Revenue Service issued a ruling which disallows this practice. Under the ruling, all payments received under a deferred payment contract are subject to the Alternative Minimum Tax. Now, regardless of whether the actual payments under the contract are spread out over a multiple year period, the payments will be taxable in the year the contract is made.

Needless to say, this ruling requiring farm families to pay a tax on income they have not yet received places an unfair burden on those families. Farmers cannot control the weather, especially in Colorado where farmers fall victim to everything from tornados to droughts. Because of the uncertainties inherent in farming, deferred payment contracts offer farmers a critical financial management tool. We must allow them to manage the risks without unfairly penalizing them.

With the farmers' early filing deadline looming on the horizon, there is a need to act upon this legislation as quickly as possible. Many farmers are already calculating their taxes for their early deadline and without a reversal of the IRS' ruling, they will be forced to comply at what will no doubt be a severe financial burden for many.

I urge my colleagues to support this important piece of legislation and pass it in a timely manner.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Minnesota. I thank him for his cosponsorship of this legislation, because in the State of Minnesota obviously he has, as in my State of Iowa, many farmers who are affected by the action of the IRS. I yield 5 minutes.

Mr. GRAMS. Thank you very much.

Mr. President, I rise in strong support of the bill introduced today by my colleagues, Senator GRASSLEY and Senator DORGAN, to clarify the intent of Congress and to allow farmers and ranchers to use deferred payment contracts without tax penalty under the alternative minimum tax.

Last year this Congress passed, and the President signed, the most sweeping reforms in agricultural policy in 60 years, giving our farmers and ranchers the freedom to farm. Farmers can now plant for the market, not for Uncle Sam.

But our commitment to agriculture did not—and cannot—end there. We promised farmers and ranchers regulatory reform, free and fair trade, market-oriented tools to better manage their risk, and tax relief. Unfortunately, the Internal Revenue Service has caused us to radically depart from this commitment in regard to tax relief. By ruling that producers are subject to tax liability on deferred payment contracts in the year the con-

tract is signed, instead of when he or she actually receives the payment, the IRS has dealt American agriculture a very serious blow.

Cash-based accounting, as it is often called, is extremely important to Minnesota farmers because incomes fluctuate so radically from year to year depending on what Mother Nature decides to unleash on us. This is especially important in my home State of Minnesota because, as many of you know, some say it is the land of 9 months of winter and then 3 months of poor sledding.

But adding further to the importance of cash-based accounting is the fact that farmers and ranchers are only paid once or twice a year. Understandably, many farmers and ranchers like to receive their payments in installments. And that is much the way school teachers do over the summer months. Getting paid in increments can ease their cash flow problems that might otherwise occur.

Congress, to its credit, has always understood these unique circumstances and therefore always intended agriculture to have the benefit of cash-based accounting. As late as 1980, Congress reaffirmed this. But according to the IRS, this all changed in amendments to the Tax Code in 1986. I disagree. Without rehashing all of the arguments of why this decision is in error, let me offer just one.

As one Rutgers University tax law professor observed, had this been the intent of the proposed changes to the Tax Code in 1986, surely there would have been large-scale opposition at that time. And, no doubt, the opposition would have been spearheaded by Senator GRASSLEY, who sits on the tax writing committee. But there was not a word about it. Maybe that is why it took the IRS a decade to find out why.

None of us want to point fingers at who is responsible for this mistake. We only want congressional intent carried out. If the most efficient way of accomplishing this end is to pass legislation to clarify things, then that is what we should do.

Mr. President, I am proud to be an original cosponsor of this bill. I commend Senators GRASSLEY and DORGAN for their leadership on this issue. I urge timely consideration and passage of this extremely important bill.

Mr. GORTON. Mr. President, the Senator from Iowa, Mr. GRASSLEY, my friend Senator DORGAN from North Dakota, who is on the floor, and I and 51 other Senators have introduced today a bill on the alternative minimum tax as it is being unjustly and without precedent applied to farmers in all of our States and across the United States of America.

In short, farmers are now being told that they must pay taxes on income that they have not received. I repeat that, Mr. President. Our farmers are now being told by the Internal Revenue Service that they are to pay taxes on income that they have not received

when they have transferred ownership of their crops to some other entity but are not to receive payment for those crops until the next tax year.

Mr. President, that is unprecedented. It is unjust. It is a terrible burden on many farmers who live under difficult circumstances and from hand to mouth. And it is not what Congress has intended in any of its amendments to the Internal Revenue Code.

It is wrong, Mr. President. It was discovered or started initially, I regret to say, in the State of Washington last year aimed against a particular potato farmer. It has now spread like wildfire all across the country and it has become the policy of the Internal Revenue Service.

A year ago, one Member of the House of Representatives from my State, GEORGE NETHERCUTT, introduced a bill on this without it being able to attain the attention that has been focused on it since that time. As I said, there are now 54 Members of this body who are sponsors of this bill to bring pure justice back to the administration of the Internal Revenue Code as it respects our farmers.

I am convinced that as soon as we have a revenue bill from the House, which under the Constitution must deal with such a bill first, that we will pass this proposal almost unanimously. Mr. President, so far we have no revenue estimate on it. It was estimated last year to be minimal because of course these taxes will in fact be collected when the cash is received by the farmers.

Farmers are not attempting through this bill to avoid a tax obligation. They are simply asking for the simple justice that that tax obligation not be imposed upon them until they have received the income on which the obligation is based.

It is for that reason and under the leadership of the Senator from Iowa and the Senator from North Dakota, who is here and whom I believe is next, that this bill is drafted, that we have made this proposal. We have now received the support of Mr. Rubin, the Secretary of the Treasury.

I do not know of any reasonable opposition or, for that matter, any opposition at all to doing justice in this case. I am delighted we have such strong support for this bill. I urge not only action on this bill, Mr. President, but the promptest action possible for the Senate to remedy an injustice against our farmers.

Mr. ENZI. Mr. President, I, too, join my new colleagues in cosponsoring this legislation. It is important that we act on this legislation before April 15 to correct a ruling by the Internal Revenue Service regarding the alternative minimum tax. It is a ruling that could dramatically and unfairly increase the tax burden on our farmers who use the cash method of accounting and who utilize installment sales on crops and livestock.

It is interesting to me that this tax problem is one of the first issues needing legislative correction to present itself to the 105th Congress. It is interesting because the problem arises in the areas of small business and accounting, two areas in which I feel I have some particularly relevant insight. I am a small businessman and an accountant—the only accountant in the Senate, in fact.

I have wondered for a long time why United States tax policymakers continue to subject small business owners to the onerous burden of calculating both corporate and alternative minimum tax liabilities. The fact is that fewer than 2 percent of the companies filing Federal income tax returns end up paying the alternative minimum tax. Still, all of these companies, many of them small businesses, have to maintain separate sets of records for tax purposes, and that is at a considerable cost.

In 1993, a Joint Tax Committee analysis confirmed what I as a small business owner and corporate accountant already knew, that compliance with the alternative minimum tax requirements can add 15 to 20 percent to a company's accounting bills at tax time. The effect is that we bury 100 percent of our small businesses in paperwork in order to increase tax revenue for about 2 percent of corporate tax filers. If that is not an unnecessary burden, I do not know what is.

The legislation that is introduced today will amend the 1986 Tax Reform Act to clarify confusion that was unintentionally created by the revenue act of 1987. I do not blame the IRS for the position it takes in the technical advice memorandum filed in 1995, which states that installment sales of farm property are not exempt from the alternative minimum tax liability in the year that it is expensed. It is the job of the IRS to maximize tax revenue within the confines of the congressionally approved statutes. The question then is, did Congress intend to subject cash receipts on forward commodity sales to a farmer's prior year alternative minimum tax? I do not believe that the 99th Congress intended to do that. For 10 years the IRS has not applied this rule in this way. To do so now is a retroactive tax increase on farmers. We, the 105th Congress, should make the necessary clarifications and pass this bill.

I believe the bill will pass because reasonable people can recognize simple facts and should agree to correct the problem. I am proud to be a cosponsor of the legislation, but I also hope that it will renew interest in reviewing the issue of alternative minimum tax reform in general. One of the issues I promised my constituents I would pursue if elected to the Senate is simplification of the U.S. Tax Code, and I believe that the phaseout of the alternative minimum tax is a necessary part of that promise. The alternative minimum tax inhibits capital invest-

ment, ties up resources and credits, and piles unnecessary compliance costs particularly on small business. It actually produces relatively small amounts of Federal revenue, not all of which would be foregone using regular tax computation.

The problem this bill would correct typifies the difficulties small business owners in our country have complying with this onerous AMT law. I was pleased that the last Congress was able to achieve consensus on a very good AMT reform bill, a bill that unfortunately became entangled in the highly emotional web of election year politics and subsequently suffered a swift death at the hands of the President.

I do believe we can and should move toward a more sensible corporate tax system, and I hope the administration is willing to work with us on that.

Mr. DASCHLE. Mr. President, I would like to express my strong support for the legislation Senators GRASSLEY and DORGAN are introducing today. The bill addresses one of the most pressing problems facing many family farms, and I am proud to cosponsor it.

Last fall, the IRS released a technical memorandum calling into question the tax treatment of deferred crop sales. Released during the harvest just as farmers were making marketing decisions, this apparent shift in policy created enormous confusion in the farm community. I say apparent shift in policy because, strictly speaking, the technical advice memorandum applies only to one taxpayer; the IRS has yet to issue a formal revenue ruling on the matter as guidance for all taxpayers.

It has been a long-standing and common practice for farmers to sell their crops on a deferred basis. Farmers often delay their receipts from commodity sales into future years in order to maximize their marketing opportunities and average their incomes over good and bad years. The legal basis for these deferred contracts dates at least as far back as an IRS revenue ruling issued in 1958.

Congress has repeatedly expressed its intention that smaller farms be permitted to manage their affairs on a cash-basis system of accounting. If implemented, the policy described in the IRS memorandum would have the effect of eliminating this important tool for many family farmers.

In my view, the IRS has mistakenly interpreted tax law and legislative history in arriving at the conclusion that deferred contract receipts are a "preference" for purposes of calculating alternative minimum tax liability. I and a number of my colleagues communicated this directly to the Secretary of the Treasury last month, and he agreed to support legislation to correct the problem.

Mr. President, I would hope that we could obtain agreement on both sides of the aisle to pass this legislation as promptly as possible. Doing so could

save many families tens of thousands of dollars this winter—money they never anticipated owing to the government.

On November 21st of last year, I asked the Treasury Department to either suspend the application or narrow the scope of the IRS memorandum in order to prevent this from happening. Today, I would like to call publicly on the IRS to reconsider its resistance to my request. The Treasury Department supports our effort to fix this problem legislatively, and half of the Senate is cosponsoring the Grassley-Dorgan bill. Why force taxpayers to pay money this winter that they in good faith never thought they owed, and then place them in the position of having to file an amended return to get their money back when the legislation passes later this year? Surely, there must be a better way, and, in the interest of taxpayer service, I urge the IRS to try to find it.

Let's not forget that farmers are the backbone of rural America and one of the foundations of our economy. Family farmers tell me often of the hardships they face in managing businesses that are often as unpredictable as the weather. The apparent change in IRS policy on deferred commodity contracts does not help matters.

I congratulate Senators GRASSLEY and DORGAN on their legislation and look forward to working with them to secure its speedy passage.

Mr. SARBANES. Mr. President, I am pleased to join as an original cosponsor of the Family Farmer Alternative Minimum Tax Relief Act of 1997. This legislation will provide relief for family farmers from a recent Internal Revenue Service decision regarding deferred payment contracts which could result in sizable and unexpected tax bills for the coming year.

For over 16 years, family farmers in Maryland and across the country have used deferred payment contracts to sell their crops and livestock in order to better manage and even out their business income from year to year. The tax code has specifically permitted farmers to manage their business on a cash basis of accounting and use deferred payment contracts without AMT liability. However, a recent IRS decision to enforce alternative minimum taxation on all crop and livestock sales, including deferred payment contracts, effectively repeals farmers' ability to use these contracts to move their tax liability into future years. If relief is not soon provided, many family farmers will face sizable—and unexpected—tax bills for the coming tax year. The purpose of this legislation is to clarify the law and ensure that family farmers can continue to receive the tax benefit provided from the use of the cash method of accounting and from installment sales for their deferred payment commodities contracts as Congress originally intended.

I hope the committee will schedule hearings on this matter as quickly as possible so that this legislation can be

enacted prior to the taxation filing deadline. I urge my colleagues to join me in supporting this important legislation.

By Mr. BYRD:

S. 182. A bill to make available for obligation such sums as are necessary to pay the Federal share of completion of construction of the Appalachian development highway system, and for other purposes; to the Committee on Environment and Public Works.

THE APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM COMPLETION ACT

Mr. BYRD. Mr. President, I rise today to introduce a critically important measure to ensure that sufficient funds will be made available over the next six years to complete the Appalachian Development Highway System by the year 2003, some 38 years after the initial authorization of this vital 3,025-mile highway network.

As Senators are aware, the funding authorizations for the Federal-Aid Highway program will expire at the end of fiscal year 1997. Consequently, one of the most important pieces of legislation we will take up during this congressional session will be the reauthorization of the Intermodal Surface Transportation Efficiency Act, or ISTEA. This legislation will provide new direction for our Federal highway and transit programs for the next six years. I commend the Majority Leader for recognizing the importance of this legislation in his remarks on the Senate Floor during the first day of this session, during which he cited his hope that we might turn to it prior to the Easter recess.

Our colleagues in the other body have already completed several hearings on the reauthorization of ISTEA, and I understand that the Senate Environment and Public Works Committee will begin its hearings shortly. As we approach the drafting of a new, comprehensive, Federal-aid highway bill, I am introducing this bill today so that my colleagues have available to them my proposal to ensure that the Federal government finally completes its commitment to the Appalachian Development Highway System in all affected thirteen states.

The necessity to expand highway access to spur the development of the Appalachian region was first cited by the President's Appalachian Regional Commission of 1964. The Commission's report stated: "Developmental activities in Appalachia cannot proceed until the regional isolation has been overcome by a transportation network which provides access to and from the rest of the nation and within the region itself. The remoteness and isolation of the region . . . are the very basis of the Appalachian lag. Its penetration by an adequate transportation network is the first requisite of its full participation in industrial America."

One year later, the Appalachian Regional Development Act of 1965 authorized several programs for the develop-

ment of the region, the first of which called for the construction of a new highway network. According to the Act, these highways "will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access." Subsequent amendments to the act defined the 3,025 miles that comprise the Appalachian Development Highway System.

Unfortunately, today, we find that while the Interstate Highway System is virtually 100 percent complete, the Appalachian Development Highway System is only 76 percent complete. Of the 3,025 miles that comprise the Appalachian system, roughly 725 miles remain unfinished. These unfinished miles are spread throughout the 13 states that have counties within the statutorily designated boundaries of Appalachia. These states include Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.

Mr. President, the purpose of my legislation is to ensure that we expeditiously complete this vital highway network. Its completion is even more important today than it was 30 years ago, not only for the local economies of the Appalachian region but also for the entire nation. The citizens of Appalachia are required to drive through the existing, inadequate road system—dangerous, narrow roads which generally wind through the paths of river valleys and stream beds between mountains. These roads are, more often than not, two-lane roads that are squeezed into very limited rights-of-way. They are characterized by low travel speeds and long travel distances. They were often built to inadequate design standards and, thus, present very hazardous driving conditions.

Just last year, the Federal Highway Administration published a report indicating that substandard road conditions are a factor in 30 percent of all fatal highway accidents. I am quite sure that the percentage is a great deal higher in the Appalachian region. [In my own state, the inadequate two-lane road that currently lies along the alignment of our largest uncompleted segment of the ADHS represents the second most dangerous road in the entire state.] The Federal Highway Administration has found that upgrading two-lane roads to four-lane divided highways has served to decrease fatal traffic accidents by 71 percent and that widening traffic lanes has served to reduce fatalities by 21 percent. These are precisely the kinds of road improvements that will be funded through the legislation which I am introducing today. And until this legislation is enacted, many citizens will die unnecessarily on inadequate, unsafe roads.

While several of the thirteen Appalachian states have enjoyed significant economic expansion and job growth over the last three decades, each such state continues to have pockets of se-

vere economic distress characterized by low academic achievement, chronic unemployment, and an inadequate tax base. There are still children in Appalachia who lack decent transportation routes to school. There are still pregnant mothers, elderly citizens, and others who lack timely road access to area hospitals. There are many people who cannot obtain sustainable well-paying jobs because of poor road access to major employment centers. These critical conditions affect not only the citizens of these local communities but also the economy of the entire nation. Instead of enjoying the full productive potential of all the citizens of Appalachia, our nation must bear the costs of Federal assistance that must be provided to those who cannot adequately care for themselves through no fault of their own—costs associated with unemployment benefits, health care, school lunch programs, etc.

The Appalachian Regional Commission has conducted a number of studies and surveys which confirm the linkage between economic prosperity and the completion of segments of the Appalachian Highway System. These same studies also highlight the fact that it is almost impossible for communities still awaiting completion of their segments of these highways to attract businesses and investment opportunities to their areas, largely due to an inadequate transportation system, inhibiting their access to the national markets.

The most rigorous of these studies was financed by the National Science Foundation and published just a year and a half ago. This study covered a twenty-year period and compared conditions in Appalachian counties versus similarly-situated counties outside the Appalachian region. When looking at conditions in the sixty-two rural Appalachian counties, the study revealed that the income levels of those counties with substantially complete Appalachian Development highways grew 80 percent faster and that earnings grew 62 percent faster than did the counties without such highway access.

Mr. President, the people of Appalachia have waited long enough for the Federal Government to fulfill its commitment to the Appalachian region. The bill I am introducing today will ensure that sufficient funds are set aside in the next major highway bill to complete the remaining 24 percent of the Appalachian Development Highway System in the thirteen-state region. This bill takes a different approach from that of the prior authorization acts for the Appalachian Highway System. The bill calls for direct contract authority to be made available from the highway trust fund. This contract authority would be distributed to the thirteen states of the Appalachian Region solely for the purpose of completing the 725 unfinished miles of the Appalachian Development Highway System.

One of the primary reasons why completion of the Appalachian Highway

System has lagged behind that of the Interstate Highway System is because the interstate system has benefited from the direct availability of highway trust funds while the Appalachian Development Highway System has been required to be financed largely through incremental annual appropriations of general funds.

The bill I introduce today also makes clear that funds provided to the Appalachian states for the completion of the Appalachian Development Highway system will be provided in addition to the funds those states will receive from the Federal Aid Highway Program for their customary purposes. These states should not be required to choose between the maintenance of their interstate and other federal highways and the completion of the Appalachian system.

Under this bill, states will still be required to provide the standard 20 percent matching share for Federal funds for the completion of these roads, as is the case for all major Federal aid highway programs. The bill authorizes the Secretary to distribute "such sums as are necessary" for the completion of the Appalachian Development Highway System. Similar to the manner in which Federal funds are currently administered for Appalachian highways, the funds provided under this bill will be administered by the Appalachian Regional Commission (ARC). The ARC, with the cooperation of the Federal Highway Administration, is currently updating its estimate for the cost to complete the system. This study is expected to be completed by May 1 of this year, and I anticipate that, when this bill is incorporated into this year's highway legislation, it will identify and authorize the appropriate dollar figure that results from this ongoing study.

I should point out, Mr. President, that the Administration shares my goal for the completion of the Appalachian Development Highway System in the near term. In addition to having written to President Clinton several times in support of this legislative approach, I met with him personally in the Oval Office on December 16, 1996—last year. I have also had meetings on this subject with his OMB Director, Mr. Franklin Raines, and his Federal Highway Administrator and Transportation Secretary-designate, Mr. Rodney Slater. I am confident that the Administration will be supportive of my efforts to complete the construction of the ADHS as soon as possible.

So, Mr. President, I urge all my colleagues to support this legislation. Our entire nation has benefited from the improvements brought about by the Appalachian Development Highway System. So, too, will we all benefit from its completion in the near future.

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. 182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Appalachian Development Highway System Completion Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) enacted into law a Federal commitment to the completion of the Appalachian development highway system for the purpose of expanding highway access to the Appalachian region;

(2) economic prosperity within the Appalachian region since that time has been brought about by, and has centered around, the availability of adequate highway access;

(3) the rationale behind the completion of the Appalachian development highway system is as sound today as it was in 1965, but while the Interstate System is nearly 100 percent complete, the Appalachian development highway system is only 76 percent complete;

(4) those areas in which the Appalachian development highway system is not yet complete suffer from inadequate road systems characterized by low travel speeds, long travel distances, and unsafe conditions; and

(5) there are unfinished miles of the Appalachian development highway system in all 13 of the States with counties in the statutorily-designated Appalachian region.

SEC. 3. COMPLETION OF APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AUTHORIZATION.—

(1) IN GENERAL.—Subject to subsection (d), there are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) for the period of fiscal years 1998 through 2003 such sums as are necessary to fund the Federal share of the total estimated cost of completion of construction of the Appalachian development highway system authorized by section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.), as determined by the Secretary of Transportation.

(2) TRANSFER AND ADMINISTRATION OF FUNDS.—The Secretary shall transfer the funds made available by paragraph (1) to the Appalachian Regional Commission, which shall be responsible for the administration of the funds.

(b) FEDERAL SHARE.—The Federal share under this section shall be 80 percent.

(c) APPORTIONMENT TO STATES.—In carrying out subsection (a), the Secretary shall apportion the funds to the 13 States in the Appalachian region in accordance with each State's portion of the total estimated cost of completion.

(d) ALLOCATION PERCENTAGES.—One-sixth of the funds allocated by subsection (a) for the construction shall be available for obligation in each of fiscal years 1998 through 2003.

(e) DELEGATION TO STATES.—Subject to title 23, United States Code, the Secretary shall delegate responsibility for completion of construction of each segment of the Appalachian development highway system under this section to the State in which the segment is located, upon request of the State.

(f) ADVANCE CONSTRUCTION.—When a State that has been delegated responsibility for construction of a segment under subsection (c)—

(1) has obligated all funds allocated under this section for construction of the segment; and

(2) proceeds to construct the segment without the aid of Federal funds in accordance with all procedures and all requirements ap-

plicable to the segment, except insofar as the procedures and requirements limit the State to the construction of segments with the aid of Federal funds previously allocated to the State;

the Secretary, upon approval of the application of a State, shall pay to the State the Federal share of the cost of construction of the segment at such time as additional funds are allocated for the segment under subsection (d).

(g) CONTRACT AUTHORITY.—Funds authorized by this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that—

(1) the Federal share of the cost of any construction under this section shall be determined in accordance with subsection (b); and

(2) the funds shall remain available until expended.

(h) INAPPLICABILITY OF OBLIGATION LIMITATIONS.—Notwithstanding any other provision of law, any obligation limitation enacted for any of fiscal years 1998 through 2003 shall not apply to obligations authorized under this section.

(i) OTHER STATE FUNDS.—Funds made available to a State under this section shall not be considered in determining the apportionments and locations that any State shall be entitled to receive, under title 23, United States Code, and other law, of amounts in the Highway Trust Fund.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mrs. FEINSTEIN, and Mr. KERRY):

S. 183. A bill to amend the Family and Medical Leave Act of 1993 to apply the act to a greater percentage of the U.S. work force, and for other purposes; to the Committee on Labor and Human Resources.

THE FAMILY AND MEDICAL LEAVE FAIRNESS ACT
OF 1997

Mr. DODD. Mr. President, we do a great deal of important business here in the U.S. Senate, but much of it seems arcane and distant from the lives of American families. But last evening, with the airing of a CBS made for TV movie, "A Child's Wish," we had a particularly moving example of the power we have to make a positive difference in the lives of America's families. I don't know how many of my colleagues had a chance to see it. It was a fictional story based on the true life experiences of two families impacted by the Family and Medical Leave Act signed into law by President Clinton in 1993.

Dixie Yandle was one of those children. I believe she came from North Carolina, I say to my colleague from North Carolina. Dixie's father lost his job during her struggle with cancer as he sought to spend more time with her. She and her parents testified in fact before the Congress about the need for family medical leave legislation so that what happened to them would not happen to the other parents.

The second child, Melissa Weaver, was also diagnosed with cancer that ultimately proved to be fatal. But due to the Family and Leave Act the family was able to spend the last days of her life together. Melissa's story is one of many that I heard in 1994 during a series of public hearings of the Commission on Family and Medical Leave on

the impact of the Family and Medical Leave Act.

"A Child's Wish" took the lives of these two children and wove them together to dramatize how important the Family and Medical Leave Act is and how meaningful it is to families. I am hopeful that this movie may have helped a lot of people understand the legislation better.

Today, at a time when many Americans are deeply cynical toward the work we do here in Washington, the family and medical leave stands in sharp contrast.

Not only is this legislation making a real difference in the lives of the American people, but it has been judged by a bipartisan commission to be an unqualified success.

The Family and Medical Leave Act fulfilled a genuine need among America's working families to take leave in times of medical and family need.

With this legislation we established in law a basic standard of decency toward America's families.

Eligible employees were guaranteed 12 weeks of unpaid leave during times of genuine family need—such as a birth or adoption, placement of a foster child, or in times of serious medical emergency for a child, spouse or parent.

This minimal benefit—unpaid leave—is providing millions of workers and their families with vital assistance during times of crisis.

Yet, even with the apparent success of the FMLA there is still more work to be done.

Millions of Americans continue to face painful choices involving their competing responsibilities to family and work.

Employees not covered by the Family and Medical Leave Act are still often told that they must choose between sick family members and their jobs.

In fact today, 43 percent of private sector employees remain unprotected by the Family and Medical Leave Act because their employer does not meet the current 50 or more employee threshold.

This legislation I introduce today—the Family and Medical Leave Fairness Act of 1997—will extend the Family and Medical Leave Act to millions of Americans who remain uncovered.

This bill would lower the threshold to include coverage for companies with 25 or more workers.

This small step would provide 13 million additional workers with the protection of the Family and Medical Leave Act—raising the total percentage of the private sector work force covered by the FMLA to 71 percent.

In my view, these workers deserve the same job security in times of family and medical emergency that workers in larger companies receive from the Family and Medical Leave Act.

With this legislation they will receive it.

Now, for those of my colleagues who still harbor doubts about the success of

the Family and Medical Leave Act I strongly urge them to examine a recent bipartisan report that documents the positive impact of this legislation.

When the bill was passed in 1993, provisions in the legislation established a commission to examine the impact of the act on workers and businesses.

The Family and Medical Leave Commission's analysis spanned 2½ years.

It included independent research and field hearings across the country to learn first hand about the act's impact from individuals and the business community.

The report's conclusions are clear—the Family and Medical Leave Act is helping to expand opportunities for working Americans while at the same time not placing any undue burden on employers.

According to the Commission's final report, the Family and Medical Leave Act represents "A significant step in helping a larger cross-section of working Americans meet their medical and family care giving needs while still maintaining their jobs and economic security."

Due to this legislation, Americans now possess greater opportunities to keep their health benefits, maintain job security, and take longer leaves for a greater number of reasons.

In fact, according to the bipartisan commission—12 million workers took job-protected leave for reasons covered by the Family and Medical Leave Act during the 18 months of its study.

But, not only are American workers reaping the benefits. The law is working for American business as well. In fact, the conclusions of the bipartisan report are a far cry from the concerns that were voiced when this law was being considered in Congress.

The vast majority of businesses—over 94 percent—report little to no additional costs associated with the Family and Medical Leave Act.

More than 92 percent reported no noticeable effect on profitability.

And nearly 96 percent reported no noticeable effect on business growth.

Additionally, 83 percent of employers reported no noticeable impact on employee productivity.

In fact, 12.6 percent actually reported a positive effect on employee productivity from the Family and Medical Leave Act, twice as many as reported a negative effect.

And not only did employers report that compliance with the Family and Medical Leave Act was relatively easy and of minimal cost, but worksites with a small number of employees generally reported greater ease of administration and even smaller costs than large worksites.

Today, I introduce this legislation with the hope and expectation that we can put aside our political differences and build on the success of the Family and Medical Leave Act. Last November, the American people gave us a mandate—a mandate for good government.

The Family and Medical Leave represents the fulfillment of this goal and I urge all my colleagues to join with me in supporting this critically important legislation for America's working families.

I think the fact that the law has been working so well has made a sufficient difference in people's lives in moments of crises. The fact that people are able to be there particularly when a child is dying, so that you have the love of parents and a family coming together and you don't have to choose between that job and your family is a wonderful thing. It has made such a difference in people's lives.

There have been many issues dealt with in this body over 16 years, and there is none that I am more proud of than the day that this body voted to support the family and medical leave legislation, and when President Clinton signed it into law.

I am pleased to be joined in this effort by Senator DASCHLE, Senator KENNEDY, Senator FEINSTEIN, and Senator KERRY. Mr. President, I can't miss the opportunity to briefly say that a friend of mine who is here from Pennsylvania, who I know is going to speak on the nomination of Madeleine Albright, but the body should know that the Senator from Pennsylvania, Senator SPECTER, was an invaluable ally in that effort beginning in the first day we arrived in the Senate some 16 years ago. We formed a caucus on children's needs. I thank him for his efforts over the years in that regard.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my colleague from Connecticut for those generous comments. He and I cochaired the Children's Caucus in the early 1980's. And he mentioned that he and I cosponsored the first family leave act exactly 10 years ago at this time—it was in 1987—which was very important legislation.

By Mr. D'AMATO:

S. 184. A bill to provide for adherence with the MacBride Principles of Economic Justice by United States persons doing business in Northern Ireland, and for other purposes; to the Committee on Finance.

THE NORTHERN IRELAND FAIR EMPLOYMENT PRACTICES AND PRINCIPLES OF ECONOMIC JUSTICE ACT OF 1997

Mr. D'AMATO.

Mr. President, I rise today to offer the Northern Ireland Fair Employment Practices and Principles of Economic Justice Act of 1997. This amendment seeks to deter efforts to use the work place as an arena of discrimination in Northern Ireland.

The Northern Ireland Fair Employment Practices and Principles of Economic Justice Act of 1997 incorporates the MacBride Principles, which are modeled after the famous Sullivan Principles, one of the initial efforts to apply United States pressure to change the system of apartheid in South Africa. The MacBride Principles are named

in honor of the late Sean MacBride, winner of the Nobel Peace Prize and co-founder of Amnesty International.

This amendment will enlist the cooperation of United States companies active in Northern Ireland in the campaign to force the end of discrimination in the workplace by:

First, eliminating religious discrimination in managerial, supervisory, administrative, clerical, and technical jobs and significantly increasing the representation in such jobs of individuals from under represented religious groups.

Second, providing adequate security for the protection of minority employees at the workplace.

Third, banning provocative sectarian and political emblems from the workplace.

Fourth, publicly advertising all job openings and undertaking special recruitment efforts to attract applicants from under represented religious groups, and establishing procedures to identify and recruit minority individuals with potential for further advancement, including managerial programs.

Fifth, establishing layoff, recall, and termination procedures which do not favor particular religious groupings.

Sixth, abolishing job reservations, apprenticeship restrictions, and differential employment criteria which discriminate on the basis of religious or ethnic origin.

Seventh, developing and expanding upon existing training and educational programs that will prepare substantial numbers of minority employees for managerial, supervisory, administrative, clerical, and technical jobs.

Eighth, appointing a senior management staff member to oversee the U.S. company's compliance with the principles described above.

It is in the workplace in Northern Ireland, which can be used to eliminate discrimination, where improving the employment opportunities for the underprivileged will help factor out the economic causes of the current strife in Northern Ireland. This will hopefully begin the process toward a peaceful resolution of the so-called troubles.

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. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Northern Ireland Fair Employment Practices and Principles of Economic Justice Act of 1997".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Currently, overall unemployment in Northern Ireland is approximately 13 percent, as compared to 9 percent in the rest of the United Kingdom.

(2) Unemployment in the minority community in Northern Ireland is 16 percent (22 per-

cent for males and 8 percent for females), and in some portions of the minority community unemployment has historically exceeded 70 percent.

(3) The British Government Fair Employment Commission (F.E.C.), formerly the Fair Employment Agency (F.E.A.), has consistently reported that a member of the minority community is two times more likely to be unemployed than a member of the majority community.

(4) The Investor Responsibility Research Center (IRRC), Washington, District of Columbia, lists more than 90 United States companies doing business in Northern Ireland, which employ approximately 11,000 individuals.

(5) The religious minority population of Northern Ireland is subject to discriminatory hiring practices by some United States businesses.

(6) The MacBride Principles are a nine point set of guidelines for fair employment in Northern Ireland which establishes a corporate code of conduct to promote equal access to regional employment but does not require disinvestment, quotas, or reverse discrimination.

SEC. 3. RESTRICTION ON IMPORTS.

An article from Northern Ireland may not be entered, or withdrawn from warehouse for consumption, in the customs territory of the United States unless there is presented at the time of entry to the customs officer concerned documentation indicating that the enterprise which manufactured or assembled such article was in compliance at the time of manufacture with the principles described in section 5.

SEC. 4. COMPLIANCE WITH FAIR EMPLOYMENT PRINCIPLES.

(a) COMPLIANCE.—Any United States person who—

(1) has a branch or office in Northern Ireland, or

(2) controls a corporation, partnership, or other enterprise in Northern Ireland,

in which more than ten people are employed shall take the necessary steps to ensure that, in operating such branch, office, corporation, partnership, or enterprise, those principles relating to employment practices set forth in section 5 are implemented and this Act is complied with.

(b) REPORT.—Each United States person referred to in subsection (a) shall submit to the Secretary—

(1) a detailed and fully documented annual report, signed under oath, on showing compliance with the provisions of this Act; and

(2) such other information as the Secretary determines is necessary.

SEC. 5. MACBRIDE PRINCIPLES OF ECONOMIC JUSTICE.

The principles referred to in section 4 are the MacBride Principles of Economic Justice, which are as follows:

(1) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

(2) Providing adequate security for the protection of minority employees at the workplace.

(3) Banning provocative sectarian or political emblems from the workplace.

(4) Providing that all job openings be advertised publicly and providing that special recruitment efforts be made to attract applicants from underrepresented religious groups.

(5) Providing that layoff, recall, and termination procedures do not favor a particular religious group.

(6) Abolishing job reservations, apprenticeship restrictions, and differential employ-

ment criteria which discriminate on the basis of religion.

(7) Providing for the development of training programs that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

(8) Establishing procedures to assess, identify, and actively recruit minority employees with the potential for further advancement.

(9) Providing for the appointment of a senior management staff member to be responsible for the employment efforts of the entity and, within a reasonable period of time, the implementation of the principles described in paragraphs (1) through (8).

SEC. 6. PROHIBITION.

Nothing in this Act shall require quotas or reverse discrimination or mandate their use.

SEC. 7. WAIVER OF PROVISIONS.

(a) WAIVER OF PROVISIONS.—In any case in which the President determines that compliance by a United States person with the provisions of this Act would harm the national security of the United States, the President may waive those provisions with respect to that United States person. The President shall publish in the Federal Register each waiver granted under this section and shall submit to the Congress a justification for granting each such waiver. Any such waiver shall become effective at the end of ninety days after the date on which the justification is submitted to the Congress unless the Congress, within that ninety-day period, adopts a joint resolution disapproving the waiver. In the computation of such ninety-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die.

(b) CONSIDERATION OF RESOLUTIONS.—

(1) Any resolution described in subsection (a) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(2) For the purpose of expediting the consideration and adoption of a resolution under subsection (a) in the House of Representatives, a motion to proceed to the consideration of such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

SEC. 8. DEFINITIONS AND PRESUMPTIONS.

(a) DEFINITIONS.—For the purpose of this Act—

(1) the term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern);

(2) the term "Secretary" means the Secretary of Commerce; and

(3) the term "Northern Ireland" includes the counties of Antrim, Armagh, Derry, Down, Tyrone, and Fermanagh.

(b) PRESUMPTION.—A United States person shall be presumed to control a corporation, partnership or other enterprise in Northern Ireland if—

(1) the United States person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the corporation, partnership, or enterprise;

(2) the United States person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(3) the corporation, partnership, or enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(4) a majority of the members of the board of directors of the corporation, partnership, or enterprise are also members of the comparable governing body of the United States person;

(5) the United States person has authority to appoint the majority of the members of the board of directors of the corporation, partnership, or enterprise; or

(6) the United States person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

SEC. 9. EFFECTIVE DATE.

This Act shall take effect 180 days after the date of enactment of this Act.

By Mr. AKAKA:

S. 186. A bill to amend the Energy Policy and Conservation Act with respect to purchases from the strategic petroleum reserve by entities in the insular areas of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

THE EMERGENCY PETROLEUM SUPPLY ACT

Mr. AKAKA. Mr. President, today I am introducing the Emergency Petroleum Supply Act, a bill to ensure that Hawaii has access to the strategic petroleum reserve during an oil supply disruption. The Emergency Petroleum Supply Act would guarantee Hawaii oil at a fair price and give tankers bound for Hawaii priority loading during an emergency.

This legislation passed the Senate in two previous Congresses. During the 104th Congress, the Senate Committee on Energy and Natural Resources once again approved the bill. Only the inability of the House to adopt strategic petroleum reserve reforms has prevented my bill from becoming law. I will work aggressively during the 105th Congress to enact this measure.

The objective of the Emergency Petroleum Supply Act can be summarized in one word: access. Because of its tremendous distance from the Gulf Coast, Hawaii needs guaranteed access to the strategic petroleum reserve [SPR], as well as priority access to the SPR loading docks.

My bill addresses both these concerns. First, it provides a mechanism to guarantee an award of SPR oil. Hawaii's energy companies will be allowed to submit binding offers for a fixed quantity of oil at a price equal to the average of all successful bids. This concept is modeled after the Federal Government's method of selling Treasury bills. It would give Hawaii ready access to emergency oil supplies at a price that is fair to the Government. Without this bill, Hawaii's energy companies, and the population they serve, face the risk that their bid for SPR oil would be rejected and that oil inventories would run dry.

The second component of my bill addresses the problem of delay. The Emergency Petroleum Supply Act grants Hawaii-bound ships expedited access to SPR loading docks. It would be a terrible misfortune if deliveries to

Hawaii were delayed because the tanker scheduled to carry emergency supplies was moored in the Gulf of Mexico, waiting in line for access to the SPR loading docks.

As any grade-school geography student knows, Hawaii is a long way from the Gulf of Mexico, especially when you have to transit the Panama Canal. The distance between the SPR loading docks and Honolulu, by way of the canal, is 7,000 miles—more than one-quarter of the distance around the globe.

But distance alone is not the issue. When you add together the time between the decision to draw down the reserve and the time for oil from the reserve to reach our shores, the seriousness of the problem emerges. It takes time to solicit and accept bids for SPR oil, time to locate and position tankers, time for tankers to wait in line to gain access to SPR loading docks, and more time to transit the canal to Hawaii. Obviously, Hawaii is at the end of a very, very long supply line. People overlook the fact that insular areas have a limited supply of petroleum products on hand at any time. While Hawaii waited for emergency supplies to arrive, oil inventories could run dry and our economy could grind to a halt.

Recently, the Department of Energy asked Hawaii's East-West Center to study this problem. The East-West Center report concluded that my SPR access measure "is an excellent proposal which would greatly reassure the islands that their basic needs would be maintained."

The East-West Center report provides strong justification for granting Hawaii special access to SPR oil during an energy emergency. The report found that a major oil supply disruption would have a much more severe impact on the Pacific islands than on the rest of the United States. Although all of Asia would experience some degree of inflation and recession, the small economies of the insular areas would be virtually unprotected from volatile economic forces. While the rest of the United States does not have to rely on ocean transport from other nations for essential goods and services, the economies of Hawaii and the Pacific islands are heavily dependent on ocean-borne trade and foreign visitors.

The need for this provision is further justified by a December 1993 Department of Energy/State of Hawaii analysis of Hawaii's energy security which found the following:

Hawaii depends on imported oil for over 92 percent of its energy. This makes Hawaii the most vulnerable State in the Nation to the disruption of its economy and way of life in the event of a disruption of the world oil market or rapid oil price increases.

Currently, 40 percent of Hawaii's oil comes from Alaska and the remainder from the Asia-Pacific region. The export capabilities of these domestic and foreign sources of supply are projected to decline by approximately 50 percent by the year 2000. This will likely increase Hawaii's dependence on oil

reserves of the politically unstable Middle East.

Hawaii is also vulnerable to possible supply disruptions in the event of a crisis. The long distance from the U.S. Strategic Petroleum Reserve in Louisiana and Texas, combined with a declining number of U.S.-flag tankers capable of transiting the Panama Canal, make timely emergency deliveries problematic.

Other studies have consistently verified Hawaii's energy vulnerability and its need for special access to the SPR. An analysis by Mr. Bruce Wilson, an accomplished oil economist, determined that the delivery of SPR oil to Hawaii from the Gulf of Mexico could take as long as 53 days. That exceeds the State's average commercial working inventory by 23 days. As Mr. Wilson's research shows, an oil supply disruption is Hawaii's greatest nightmare.

Some suggest that market forces will ensure that Hawaii and the territories receive the oil they need during an energy emergency. Unfortunately, these are the same market forces that cause Hawaii's consumers to pay 50 percent more per gallon of gasoline than consumers pay on the Mainland. When a crisis hits, our energy prices can double or triple.

Hawaii may be the 50th State, but we deserve the same degree of energy security that the rest of the Nation enjoys. It's simply a matter of equity. Hawaii's tax dollars help fill and maintain the reserve; Hawaii should enjoy the energy security the SPR is designed to provide.

My bill will safeguard Hawaii from the harsh economic consequences of an oil emergency. The Emergency Petroleum Supply Act is not only good energy policy, it's good economic policy for Hawaii.

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. 186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Petroleum Supply Act".

SEC. 2. PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES.

Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) is amended by adding at the end the following:

"(j) PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES.—

"(1) DEFINITIONS.—In this subsection:

"(A) BINDING OFFER.—The term 'binding offer' means a bid submitted by the State of Hawaii for an assured award of a specific quantity of petroleum product, with a price to be calculated pursuant to this Act, that obligates the offeror to take title to the petroleum product without further negotiation or recourse to withdraw the offer.

"(B) CATEGORY OF PETROLEUM PRODUCT.—The term 'category of petroleum product' means a master line item within a notice of sale.

“(C) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity that owns or controls a refinery that is located within the State of Hawaii.

“(D) FULL TANKER LOAD.—The term ‘full tanker load’ means a tanker of approximately 700,000 barrels of capacity, or such lesser tanker capacity as may be designated by the State of Hawaii.

“(E) INSULAR AREA.—The term ‘insular area’ means the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

“(F) OFFERING.—The term ‘offering’ means a solicitation for bids for a quantity or quantities of petroleum product from the Strategic Petroleum Reserve as specified in the notice of sale.

“(G) NOTICE OF SALE.—The term ‘notice of sale’ means the document that announces—

“(i) the sale of Strategic Petroleum Reserve products;

“(ii) the quantity, characteristics, and location of the petroleum product being sold;

“(iii) the delivery period for the sale; and

“(iv) the procedures for submitting offers.

“(2) IN GENERAL.—In the case of an offering of a quantity of petroleum product during a drawdown of the Strategic Petroleum Reserve—

“(A) the State of Hawaii, in addition to having the opportunity to submit a competitive bid, may—

“(i) submit a binding offer, and shall on submission of the offer, be entitled to purchase a category of a petroleum product specified in a notice of sale at a price equal to the volumetrically weighted average of the successful bids made for the remaining quantity of the petroleum product within the category that is the subject of the offering; and

“(ii) submit 1 or more alternative offers, for other categories of the petroleum product, that will be binding if no price competitive contract is awarded for the category of petroleum product on which a binding offer is submitted under clause (i); and

“(B) at the request of the Governor of the State of Hawaii, a petroleum product purchased by the State of Hawaii at a competitive sale or through a binding offer shall have first preference in scheduling for lifting.

“(3) LIMITATION ON QUANTITY.—

“(A) IN GENERAL.—In administering this subsection, in the case of each offering, the Secretary may impose the limitation described in subparagraph (B) or (C) that results in the purchase of the lesser quantity of petroleum product.

“(B) PORTION OF QUANTITY OF PREVIOUS IMPORTS.—The Secretary may limit the quantity of a petroleum product that the State of Hawaii may purchase through a binding offer at any offering to $\frac{1}{2}$ of the total quantity of imports of the petroleum product brought into the State during the previous year (or other period determined by the Secretary to be representative).

“(C) PERCENTAGE OF OFFERING.—The Secretary may limit the quantity that may be purchased through binding offers at any offering to 3 percent of the offering.

“(4) ADJUSTMENTS.—

“(A) IN GENERAL.—Notwithstanding any limitation imposed under paragraph (3), in administering this subsection, in the case of each offering, the Secretary shall, at the request of the Governor of the State of Hawaii, or an eligible entity certified under paragraph (7), adjust the quantity to be sold to the State of Hawaii in accordance with this paragraph.

“(B) UPWARD ADJUSTMENT.—The Secretary shall adjust upward to the next whole number increment of a full tanker load if the quantity to be sold is—

“(i) less than 1 full tanker load; or

“(ii) greater than or equal to 50 percent of a full tanker load more than a whole number increment of a full tanker load.

“(C) DOWNWARD ADJUSTMENT.—The Secretary shall adjust downward to the next whole number increment of a full tanker load if the quantity to be sold is less than 50 percent of a full tanker load more than a whole number increment of a full tanker load.

“(5) DELIVERY TO OTHER LOCATIONS.—The State of Hawaii may enter into an exchange or a processing agreement that requires delivery to other locations, if a petroleum product of similar value or quantity is delivered to the State of Hawaii.

“(6) STANDARD SALES PROVISIONS.—Except as otherwise provided in this Act, the Secretary may require the State of Hawaii to comply with the standard sales provisions applicable to purchasers of petroleum product at competitive sales.

“(7) ELIGIBLE ENTITIES.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and notwithstanding any other provision of this paragraph, if the Governor of the State of Hawaii certifies to the Secretary that the State has entered into an agreement with an eligible entity to carry out this Act, the eligible entity may act on behalf of the State of Hawaii to carry out this subsection.

“(B) LIMITATION.—The Governor of the State of Hawaii shall not certify more than 1 eligible entity under this paragraph for each notice of sale.

“(C) BARRED COMPANY.—If the Secretary has notified the Governor of the State of Hawaii that a company has been barred from bidding (either prior to, or at the time that a notice of sale is issued), the Governor shall not certify the company under this paragraph.

“(7) SUPPLIES OF PETROLEUM PRODUCTS.—At the request of the governor of an insular area, the Secretary shall, for a period not to exceed 180 days following a drawdown of the Strategic Petroleum Reserve, assist the insular area in its efforts to maintain adequate supplies of petroleum products from traditional and non-traditional suppliers.”

SEC. 3. REGULATIONS.

(a) IN GENERAL.—The Secretary of Energy shall issue such regulations as are necessary to carry out the amendment made by section 2.

(b) ADMINISTRATIVE PROCEDURE.—Regulations issued to carry out the amendment made by section 2 shall not be subject to—

(1) section 523 of the Energy Policy and Conservation Act (42 U.S.C. 6393); or

(2) section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).

SEC. 4. EFFECTIVE DATE.

The amendment made by section 2 takes effect on the earlier of—

(1) the date that is 180 days after the date of enactment of this Act; or

(2) the date that final regulations are issued under section 3.

By Mr. GLENN:

S. 193. A bill to provide protections to individuals who are the human subject of research; to the Committee on Labor and Human Resources.

HUMAN RESEARCH SUBJECT PROTECTION ACT

Mr. GLENN. Madam President, I rise today to introduce the Human Research Subject Protection Act of 1997. I send the bill to the desk.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. GLENN. Madam President, if I approached any Senator here and I said, “You did not know it, but the last time they went to the doctor or went to the hospital, your wife or your husband or your daughter or your son became the subject of a medical experiment that they were not even told about. They were given medicine, they were given pills, they were given radiation, they were given something and were not even told about this, were not even informed about it, yet they are under some experimental research that might possibly do them harm—maybe some good will come out of it, but maybe it will do them harm also—but they do not know about it,” people would laugh at that and say that is ridiculous. That cannot possibly happen in this country. Yet, that very situation is what this piece of legislation is supposed to address.

I have been in public life and have served this country for many years. Frankly, I do not think too many things that I see surprise me anymore about our laws and about Government. Three years ago, though, I began to learn about a gap in our legal system that does truly concern me. In 1993 the Governmental Affairs Committee began to investigate the cold war radiation experiments. These experiments are one of the unfortunate legacies of the cold war, when our Government sponsored experiments involving radiation on our own citizens without their consent. They did not even know the experiments were being run on them. It was without their consent.

One of the most infamous of these experiments took place in my own State of Ohio, when scores of patients at the University of Cincinnati were subjected to large doses of radiation during experimental treatments, without their consent, without their informed consent. During the course of this investigation, I began to ask the question, what protections are in place to prevent such abuses from happening again? What law prohibits experimenting on people without their informed consent?

What I found, when I looked into it, is there is no law on the books requiring that informed consent be obtained. More important, I believe there is a need for such a law, as there continue to be cases where this basic right—I do view it as a basic right—is abused. As I started out, I would like to put this on a personal level for everyone of my colleagues. You just think about your own family, your own son, your own daughter, or grandchildren who might be, the next time they go to a doctor, the subject of some medical experiment that they are not even told about. I do not think there can be many things more un-American than that.

With the introduction of this bill today I hope to begin the process of correcting some serious gaps in our

legal system. I want to make clear right now I am not seeking to bring medical research to a screeching halt. Please do not anybody at NIH, or anybody doing research throughout this country, think we are trying to stop that. We are not. That is not my intent and not the intent of this bill.

This country has the very finest health care system in the world, in part because of basic research. In fact, in large part because we have put more effort, more resources, more of our treasure into health research than any other nation in this world. In fact, I believe most people are not opposed to participating themselves in scientific research, if they are told about the pros and the cons. That is the goal of this legislation, to make sure that people have the appropriate information to make an informed choice about their medical treatment.

Everyone listening today probably has heard of the Nuremberg Code. That is the list of 10 ethical research principles which were produced as part of the judgment against Nazi physicians who engaged in truly heinous medical experiments during World War II.

The first principle of the Nuremberg Code states that the voluntary consent of the human subject of research is absolutely essential. Unfortunately, as we look back through our history since the late 1940's, it appears that researchers in America may not have taken all that Nuremberg lesson completely to heart.

I ask my colleagues what the following names might have in common: thalidomide, Tuskegee, and Willowbrook?

Well, the answer is that these are all sad examples of unethical research conducted in the United States, and in the United States well after the Nuremberg Code was issued, adopted and worldwide attention had been focused on some of the abuses of that time during World War II.

Given this history, I find it astounding that even after Nuremberg, the thalidomide babies, Willowbrook, Tuskegee and the cold war radiation experiments, and who knows how many other cases, we still don't have a law on our books requiring that informed consent—those two words, “informed consent”—be obtained prior to conducting research on human subjects.

I have had research conducted on me because of my past activities before I came to the Senate in the space program and so on, but I knew what was being looked at, what was being tried. I knew the objectives of it, and I was willing to do that. I was happy to do it. But it was informed consent that I had personally, and I knew what I was getting into and glad to do it.

I think most people feel the same way. If they know what they are getting into and they feel there is a good purpose to it, they are willing to do it. But to do research on people when they don't even know what the research or the medicines or the radiation is that is being tried on them, I think is unconscionable.

What it comes down to is there are no criminal fines or penalties for violating the spirit or the letter of that Nuremberg Code that should be the basis of all of our informed consent in this country.

In fact, our own Constitution says, “The right of the people to be secure in their persons . . . shall not be violated.”

So there is no explicit statutory prohibition against improper research. I must add that just because there is no law on the books does not mean there are no protections for people from unethical medical or scientific research.

These tragic incidents I have mentioned have resulted in changes in the way human research subjects are treated. I don't want to misrepresent this, because there is a very elaborate system of protections that have developed over the years. Unfortunately, though, this system does have some gaps and, if enacted, I believe this legislation will close those gaps.

Let me briefly describe the system that is currently in place.

Regulations governing the protection of human research subjects were issued by the Department of Health, Education, and Welfare in 1974 and may be found at part 46 of title 45 of the Code of Federal Regulations.

In 1991, 10 years after a recommendation of a congressionally chartered Presidential advisory board, 16 other agencies adopted a portion of this rule, a portion of the rule to apply to research that these agencies sponsored. And at that point, these regulations became known as the common rule.

The common rule requires research institutions receiving Federal support and Federal agencies conducting research to establish committees, and these are known as—the shorthand version is IRB's—Institutional Review Boards. Their job is to review research proposals for risk of harm to human subjects and to perform other duties to protect human research subjects.

The common rule also stipulates requirements related to informed consent, how researchers must inform potential subjects of the risks to which they, as study participants, agree to be exposed.

It should also be noted that HHS regulations contain additional protections not included in the common rule for research involving vulnerable populations; namely, pregnant women, fetuses, subjects of in vitro fertilization research, prisoners and children. No other Federal agency has adopted these additional protections.

Several mechanisms have been developed by HHS and research institutions over the years to extend the common-rule protections to more people. For example, many, but not all, research institutions which receive some Federal support voluntarily apply common-rule guidelines to all research conducted at their institutions.

Additionally, in order to receive approval for a drug or device from the Food and Drug Administration, a research institution or pharmaceutical company must comply with the re-

quirements of the common rule as administered by the FDA.

In addition to the Federal regulations, most professional medical societies and associations have adopted ethical codes of conduct regarding research.

The first such ethical code, called the Helsinki Code, was adopted by the World Medical Association in 1964. So it has been on the books for a long time. Since that time, other prominent organizations, like the American Medical Association, the American Society for Clinical Investigation, and the American Federation of Clinical Research have also adopted such ethical codes.

Most recently, in October 1995, the President exhibited, I believe, strong leadership and established the National Bioethics Advisory Commission, NBAC. This had been a long time coming. It had been suggested, but no one had ever gone ahead and done this, and the President exerted the leadership and established the NBAC.

Quite simply, the scientific and ethical issues which the NBAC are supposed to evaluate represent some of the most important, some of the most complex and controversial questions of our time. NBAC's input will be critical to informed policymaking for both the legislative and executive branches.

The two primary goals of NBAC are to, first, evaluate the current level of compliance of Federal agencies to the common rule, and, second, evaluate the common rule and advise both the executive and legislative branches on any changes that might be needed to it.

I very strongly support the work of the NBAC but recently have become extremely concerned to hear that more than 15 months after its establishment, the NBAC is still operating with a volunteer staff. It was my understanding that a number of Federal agencies supported the creation of the NBAC and agreed to back up their support with resources and staff. Some NBAC members have stated in public meetings that they are frustrated with the progress the Commission is making and attribute the slow pace to the lack of resources. Additionally, the resource problem may be limiting the number of meetings of the Commission.

Further, if this problem is not resolved in the near term, the Commission may have to stop meeting altogether. I sent a letter to the President's science adviser a few days ago, Dr. John Gibbons, to express my concerns about this. Dr. Gibbons was working to resolve this funding problem, which I view as an urgent priority.

I am very glad to announce—as a matter of fact, it was just today—that these groups in Government that are interested in this had a meeting under Dr. Gibbons' leadership, and the \$1.6 million that was supposed to accrue

from these different agencies to be used by the NBAC is now forthcoming. So the NBAC is now funded so they can do the job they were originally supposed to do.

We are very glad to say that has happened just today, and I am glad it happened today, just when I am introducing this bill, because it looks as though we now truly are moving to support the NBAC that did not receive the kind of monetary support, the kind of funding that we thought it was going to have when it was first formed a year and a half ago.

There are a number of existing mechanisms that do protect human research subjects today. In fact, in March of 1996, the GAO reported to me that the testing protection system has reduced the likelihood of serious abuses from occurring. However, the GAO also pointed out a number of weaknesses and gaps in the current system.

There are at least four areas, four major gaps.

First, not all agencies have adopted the common rule, including agencies that currently sponsor research involving human subjects. The Department of Labor and the Nuclear Regulatory Commission are examples of agencies that sponsor such research but those agencies have not adopted the common rule, which I think they should have.

Second, the common rule's research is voluntarily applied in many cases. Most institutions which receive Federal funds will voluntarily apply the common rule to all research conducted at their institution. However, not all research institutions adopt this policy. And in any case, if any improper research is discovered at these institutions, there are very few steps available to the Federal Government to do much about it.

Third, a private institution or a researcher who conducts nonfederally funded research or is not seeking approval of a drug or device with the FDA does not have to apply the principles of the common rule to its research. In other words, there is a huge area of all the private medical research out there that is not under the common rule unless they just choose themselves to just voluntarily do it.

Fourth, no Federal agency, other than HHS, has applied the additional protections described in 45 CFR 46 for vulnerable populations—pregnant women and their fetus, children, prisoners—to their own research. So the purpose of this legislation is to help close the gaps that exist within the current system for protecting research subjects.

Well, is there really a problem out there?

Is this just a paper loophole that I am trying to close?

Unfortunately, Mr. President, there are ongoing problems with inappropriate, ethically suspect research on human subjects. It is difficult to know the extent of such problems because information is not collected in any formal manner on human research.

The Cleveland Plain-Dealer in my home State of Ohio has recently reported in a whole series of articles, after much investigation of this issue. And I quote from them:

What the government lacks in hard data about humans, it more than makes up for with volumes of statistics about laboratory animals. Wonder how many guinea pigs were used in U.S. research? The Agriculture Department knows: 333,379. How many hamsters in Ohio? 2,782.

So we have all this data on animals and little on human beings. I would hasten to add that the guinea pigs the Plain-Dealer refers to are the four-legged kind too and not the guinea pigs that are humans being used for research.

The reason we know so much about the use of animals in research is that we have laws governing the handling and treatment of them.

For example, the Animal Welfare Act requires that certain minimum standards be maintained when using animals in research.

Let me give you some recent examples which indicate why, notwithstanding the common rule and the other protections that are in place, I think additional protections are needed in statute.

In 1994-95, in an effort to explore the rights and interests of people currently involved in radiation research conducted or sponsored by the Federal Government, the Presidential Advisory Committee on Human Radiation Experiments conducted an in-depth review of 125 research projects funded by HHS, DOE, DOD, VA, and NASA. According to the ACHRE report:

Our review suggests that there are significant deficiencies in some aspects of the current system for the protection of human subjects.

The ACHRE found that documents provided to IRB's often did not contain enough information about topics that are central to the ethics of research involving human subjects. In some cases the committee found it was difficult to assess the scientific merit of a protocol based on the documentation provided.

ACHRE's report states that some consent forms studied by the committee are—and I quote—

... flawed in morally significant respects, not merely because they are difficult to read but because they are uninformative or even misleading.

The report states further:

Our review also raises serious concerns about some research involving children and adults with questionable decision-making capacity.

And the ACHRE concludes:

All told, the documents of almost half the studies reviewed by the committee that involved greater than minimal risk [to the subject] raised serious or moderate concerns.

That is a horrible indictment.

As I mentioned earlier, from December 15 to 18, 1996, the Cleveland Plain-Dealer published a series of articles entitled "Drug Trials: Do People Know the Truth About Experiments."

And I want to give credit to the people that worked on that. Keith Epstein, has covered Capitol Hill here and has written much and done much investigative reporting working on this, as did Mr. Sloat, S-1-o-a-t, Bill Sloat. Those two fellows worked on this and did a great job in pointing out some of the problems that still exist. And we have talked to them about some of these things.

The Plain-Dealer uncovered a number of disturbing cases, very disturbing cases as a matter of fact, where people were either unaware of the fact that they were involved in research or were not provided full information about potential side effects of research. The series raises very serious questions about the adequacy of our current system of protecting human research subjects.

The Plain-Dealer found, for example, of "4,154 FDA inspections of researchers testing new drugs on people [since 1977] . . . more than half the researchers were cited by FDA inspectors for failing to clearly disclose the experimental nature of their work."

Another serious finding in this series is that researchers who receive the most severe penalty by the FDA, being designated "Disqualified Investigators," have little fear of this fact being found out by their peers or patients. One of the articles discusses potentially serious problems in the way research conducted outside of the United States is incorporated into applications for drug approvals in the United States.

The Plain-Dealer uncovered much evidence to suggest that the Federal Government continues to sponsor research where informed consent is not obtained. And this fact disturbed me greatly also.

On November 14, 1996, the Wall Street Journal published an article that examined the practice at one pharmaceutical firm, Eli Lilly and Co. in using homeless alcoholics in their clinical trials. The article raises some disturbing questions about the quality of the phase I trials conducted by this one company. Also serious ethical questions are raised concerning the appropriateness of paying homeless alcoholics significant sums to be human guinea pigs. It is not clear from the article whether these tests were reviewed by any IRB.

On December 27, 1996, the New York Times reported on a New York State appeals court ruling which found that the State's rules governing psychiatric experiments on children and the mentally ill were unconstitutional. The court found that the rules did not adequately protect people who, because of age or illness, cannot give informed consent to take part in drug tests or other experiments. The article mentions 10 to 15 of the 400 psychiatric experiments covered by the ruling as being "privately financed" and therefore outside the coverage of Federal rules.

How would you like it if your father, mother, son or daughter, husband, wife was in one of those institutions and was having experiments conducted on

them without your knowing about it or without them knowing about it? That is what we are up against.

On August 15, 1994, the New York Times reported on ethical and legal questions regarding a company's efforts to promote a drug that can make some children grow taller than they otherwise would. The drug in question, Protropin, has been approved by FDA for use in children whose bodies do not make sufficient quantities of human growth hormone. However, once approved, doctors may prescribe it for other purposes at their discretion. In this case the company was apparently surveying schools for short children and then trying to funnel those children to doctors who would prescribe the drug whether or not the children lacked the human growth hormone. This unapproved research was occurring without the oversight of an IRB. And at least 15,000 children have taken this drug.

Another illustration of the precarious coverage of the common rule occurred in 1995 when it became known that researchers from the Center for Reproductive Health at the University of California Irvine, were fertilizing humans and implanting theses in different mothers without the consent of the donor. This research was not being funded by any Federal agency; however, NIH was funding more than \$20 million worth of other research at the university. Even though several internal and external investigations by the university and the district attorney were being conducted on this experiment, a clarifying moment occurred when investigators from OPRR visited UC Irvine early last year. These investigators reminded university officials of the common rule; the fact that the university had agreed to apply it to all research conducted there—through OPRR's assurance process; and that NIH was currently funding a good deal of research at the institution. Within a week of OPRR's visit, the university took public action to halt the research and formally investigate the researchers.

On October 10, 1994, the New York Times reported on a New York doctor who adopted two types of drugs approved by FDA for cancer treatment and stomach ulcers for an unapproved use to perform nonsurgical abortions. The article quotes the doctor saying that in 121 of 126 cases his approach was successful. The remaining five cases required surgery to complete the procedure. Because the drugs were FDA approved and the doctor was not funded or connected to federally sponsored research, no IRB or approved informed consent procedures were required. Apparently, each patient signed a three-page consent form, but this was not approved by an IRB. According to the Times, once FDA approves a drug, physicians are generally allowed to use it for off label purposes.

Now Mr. President, some of the issues discussed in these articles are

problems with how the common rule itself is being applied. Some of these examples illustrate the gaps in the common rule coverage. My legislation will address both the coverage and the application of the common rule.

Now how precisely would the legislation work?

It would require all research facilities to register with HHS. Registration shall include: First, statement of principles governing the research facility in its conduct of human subject research; second, designation of the official responsible for all human subject; third, designation of membership roster of IRB(s); and fourth, attestation that the research facility is complying with the protection requirements of the common rule.

The legislation includes a grandfather provision for all research entities which currently have negotiated project assurances with HHS. The vast majority of research facilities have such assurances.

The legislation contains a 3-year re-registration requirement.

The legislation includes criminal penalties for failure to comply with the act. Therefore, if enacted it would be a felony offense to experiment on someone without their informed consent.

The intent therefore of this legislation is twofold: First, to fill in the gaps of coverage of the common rule by requiring all research involving human subjects to abide by the rule; and second, to elevate the importance of conducting research ethically, the bill provides criminal fines and penalties for failure to comply with the requirements of this law, and by extension 45 CFR 46.

Finally Mr. President, my legislation would codify a recommendation which the Advisory Committee on Human Radiation Experiments made regarding the conduct of classified research involving human subjects.

Specifically, the advisory committee recommended that informed consent of all human subjects of classified research be required, and that such requirement not be subject to waiver or exemption. Under current rule and executive order, it is possible to waive informed consent and IRB review for classified research. Title II of this legislation would prohibit the waiver of either informed consent or IRB review for classified research.

The advisory committee also recommended that human subjects of classified research be provided with certain information regarding that research. My legislation would require that such subjects be information concerning: First, the identify of the sponsoring Federal agency; second, a statement that the research involves classified information; and third, an unclassified description of the purpose of the research.

Mr. President I have tried today to briefly lay out the case for the need for the legislation I am introducing. I know that my colleague from Ohio,

Senator DEWINE, is also concerned about the issues I have raised today, and about those that appeared last month in the Plain Dealer. I believe that he has requested that the chairman of the Labor and Human Resources Committee hold hearings on this subject. I think that is entirely appropriate. And I hope that this legislation could be considered in that process. I look forward to working with the Labor Committee in this regard.

I do not claim to have the magic bullet solution with this bill. However, I believe there are some key principles which should guide the Senate's consideration of this legislation. These principles are:

First, informed consent and independent review of experiments involving human subjects must be required.

Second, anyone who violates the right of research subject to have informed consent, should be held criminally responsible for that violation.

I want to put this in personal terms once again. You can imagine your spouse, husband, wife, father, mother, children, being experimented on without your knowledge or their knowledge. That is unconscionable, and we should not permit that. This legislation will close many of the loopholes that permit that to happen now.

As the legislative process moves ahead, it is certain that the bill will undergo scrutiny and amendments. But I think the outcome, if this legislation is enacted into law, will be improved protections for all Americans.

Madam President, obviously, I welcome any cosponsors on this legislation. I will be sending out a "dear colleague" letter to all the offices, and I hope we get a good response to that. I think there are very few Senators who will not back this when they hear what can happen then to them, their families, and their constituents back home, if we do not pass something like this.

I think this is many years overdue. I don't want to scare people to death with this, because I think most of the research in this country is conducted in a way that is good and is with informed consent—in most cases. But just the few examples that I have mentioned here today, as well as the articles in the Cleveland Plain Dealer and New York Times I quoted from, indicate there is still a very major problem in this area and one that we want to close the gaps on so that no American is subjected to experiments like this, unless they know exactly what is going on and have given informed consent.

Thank you. I yield the floor.

By Mr. CHAFEE (for himself, Mr. MOYNIHAN, Mr. ABRAHAM, and Mr. KYL):

S. 194. A bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly traded stock to certain private foundations and for other purposes; to the Committee on Finance.

PRIVATE FOUNDATIONS LEGISLATION

Mr. CHAFEE. Mr. President, today, I am introducing legislation which makes permanent the full value deduction for gifts of appreciated stock to private foundations. I am pleased that my distinguished colleagues, Senator MOYNIHAN and Senator ABRAHAM, have agreed to join me in this effort.

Since 1984, donors have been allowed to deduct the full fair market value of certain gifts of public traded stock to private foundations. This provision of the tax code was added as part of the Tax Reform Act of 1984 to encourage individuals to create foundations during their lifetime. Unfortunately, when this section was enacted it included a sunset date of December 31, 1994 which was extended through May 31, 1997 as part of the Small Business Jobs Protection Act. Without this provision, the number of new foundations—as well as additional endowments to existing foundations—is likely to fall off dramatically.

Private foundations are nonprofit organizations that support charitable activities in order to serve the common good. They provide support by making grants to other nonprofit agencies, or through operating their own programs. In some cases, such as scholarships and disaster relief, foundations may make grants to individuals.

Foundations are created with endowments—money given by individuals, families, or corporations. They make grants or operate programs with the income earned from investing the endowments. Since most foundations have permanent endowments, they do not need to raise funds each year from the public in order to continue their work. Freed from these constraints, foundations are perfectly positioned to act as the research and development arm of society.

In a 1965 Report on Private Foundations, the Treasury Department recognized the special nature of foundations by describing them as “uniquely qualified to initiate thought and action, experiment with new untried ventures, dissent from prevailing attitudes, and act quickly and flexibly.” Indeed, foundations reflect the innovative spirit of the individuals and corporations that endow them.

There are more than 34,000 private foundations in America today that provide over \$9 billion annually to support innumerable projects, large and small. Among other things, they help the poor and disadvantaged, advance scientific and medical research, and strengthen the American educational system.

Let me give you a few examples of some of the medical advances that have occurred as a result of the financial assistance provided by private foundations: The polio vaccine developed by Dr. Jonas Salk in 1953 after the Sarah Scaife Foundation provided him with the money he needed to establish and equip his virus laboratory.

With the help of the Commonwealth Fund, Dr. Papanicolaou discovered in

1923 that cervical cancer could be diagnosed before a woman presented any symptoms. That breakthrough led to the basic and now routine diagnostic technique known as the Pap smear.

In 1951, Dr. Max Theiler received the Nobel Prize in medicine for his work in developing the yellow fever vaccine. That effort was the direct result of a 30-year, all-out commitment by the Rockefeller Foundation to eradicate this disease.

But, Mr. President, private foundations have been involved in many more aspects of our daily lives than simply funding medical advances. Dr. John V.N. Dorr was an engineer in the early 1950's. He speculated that many accidents occurring on our Nation's highways during inclement weather were the result of drivers hugging the white lines painted in the middle of the road. Dorr believed that if similar lines were painted on the shoulder side of the road, lives could be saved.

Dorr convinced transportation engineers in Westchester County, NY, to test his theory along a particularly treacherous stretch of highway. The dropoff in accidents along this part of the road was dramatic, and Dr. Dorr used his own foundation to publicize the demonstration's results nationally. Today, although State funds are now used to paint white lines on the shoulder side of the Nation's highways, every person traveling in motor vehicles is indebted to Dorr and his foundation for implementing this lifesaving discovery.

As these examples indicate, private foundations provide a great many benefits to our society. By permanently extending this tax incentive, we can continue to encourage individuals to dedicate a substantial portion of their wealth to public, rather than private purposes. I hope my colleagues will support this legislation.

Our bill permanently extends the tax incentive for an individual who contributes stock to a private foundation. This provision currently expires on May 31, 1997.

Under this bill, a taxpayer who contributes publicly traded stock to a private foundation would be allowed a deduction for the full fair market value of the stock. Absent this legislation, the deduction would be limited to the cost basis of the stock, which for many donors effectively eliminates the incentive to make the donation.

The legislation also conforms the due date for a private foundation's first quarter estimated tax payment with the filing date for the annual tax return. Currently, a private foundation is required to make its first quarter estimated tax payment on April 15, even though the annual income tax return is not due until May 15. Under this bill, a foundation's first estimated tax payment would be due on May 15.

Finally, the bill also simplifies the rules governing distributions from a private foundation to a charity located outside the United States.

A similar proposal introduced in the 104th Congress was estimated by the Joint Committee on Taxation to cost \$287 million over 5 years.

Mr. MOYNIHAN. Mr. President, I am pleased to join my distinguished colleague, Senator CHAFEE, in introducing this legislation to extend permanently the full, fair market value deduction for gifts of publicly traded stock to private foundations.

Much of the focus in Congress over the last several years has been on efforts to control or reduce Government spending in order to balance the budget. As programs are cut to meet budget constraints, pressure will be placed on other sectors, particularly the independent sector, to fill the void. Already, the extent to which nonprofit institutions in the United States perform functions that are typically governmental undertakings in other countries is perhaps not fully understood or appreciated. It is a unique feature of our society of inestimable value and must be sustained. As demand on the independent sector grows, we must support its efforts to promote the common good and confront social problems.

A bit of history: prior to 1969, contributions of appreciated property were deductible at their fair market value. In 1969, Congress adopted a number of rules to address certain abuses then occurring with respect to a small number of private foundations. These included a series of targeted Treasury Department recommendations to impose excise tax penalties on self-dealing transactions, excess business holdings, insufficient distributions for charitable purposes, and the like. However, in response to the negative publicity surrounding private foundations at the time, Congress felt it necessary to impose other restrictions beyond the targeted Treasury proposals. These included a provision to limit the deduction for gifts of appreciated property to private foundations to the donor's basis, usually, the original purchase price.

After 1969, the IRS and other experts concluded that the targeted antiabuse rules worked well to correct the problems with private foundations. And nothing indicated that the 1969 limit on deductibility of gifts of appreciated property to private foundations was necessary to prevent abuse, at least to the extent that the property's value was readily determinable. Thus, in 1984, Congress approved a rule, that sunset after 10 years, providing a deduction for the full value of gifts of publicly traded stock to private foundations. This temporarily restored parity of treatment to contributions of stock to public charities—already fully deductible—and to private foundations.

Then came the Tax Reform Act of 1986, which was largely an effort to broaden the tax base and reduce rates. One such base-broadening provision was the creation of a tax preference under the individual alternative minimum tax [AMT] for gifts of appreciated

property to charitable organizations. Thus, taxpayers subject to the AMT could only deduct the basis of property donated to charitable organizations.

As it turned out, the 1986 Tax Act worked all too well. Not only was the base broadened, but charitable giving of appreciated property nearly disappeared. And the charitable organizations let us know that our action had hurt them financially in such a way that not only they, but the larger public trust they serve, were suffering. Thus, at the behest of this Senator, in 1990 Congress at first temporarily, and then in 1993 permanently, repealed the tax preference for contributions of appreciated property.

At the end of 1994, however, the full deduction for contributions of appreciated stock to private foundations expired. It had been intended as a 10-year experiment; the 10 years ran out, and the experiment was over. But most observers concluded that the experiment had worked—the private foundation rules continued to work reasonably well to prevent abuse, even while gifts of appreciated stock were fully deductible. In particular, the rule was not a source of compliance problems for the Internal Revenue Service. Thus, we agreed to extend the provision temporarily just last year in the Small Business Job Protection Act. Unfortunately, it will expire once again at the end of May. There being no harm done by this provision, and much good, it is a rule we should like to see extended once again—and this time permanently.

Mr. President, no reason exists to provide different treatment under the Tax Code for gifts of appreciated stock to private foundations than is provided for such gifts to public charities. Private foundations are an important component of our nonprofit, independent sector. They make vast contributions to our society in the areas of education, health, disaster relief, the advancement of knowledge and the preservation of historical and cultural artifacts, to name only a few. Government must play a role in ensuring that nonprofit institutions not merely survive, but thrive—particularly during an era of Government cutbacks. The legislation we introduce today will be a great help in this regard. I look forward to its early and favorable consideration in the 105th Congress.

By Mr. McCAIN:

S. 196. A bill to amend the Public Buildings Act of 1959 to require the Administrator of General Services to prioritize construction and alteration projects in accordance with merit-based needs criteria, and for other purposes; to the Committee on Environment and Public Works.

THE FEDERAL BUILDING CONSTRUCTION AND
ALTERATION FUNDING IMPROVEMENT ACT

Mr. McCAIN. Mr. President, today I am introducing legislation to establish a system to ensure that funding for the construction and repair of Federal

buildings is allocated according to need and priority.

First, the bill would require the President to submit the administration's building construction budget request in the form of a prioritized list of projects. Second, and most importantly, the bill would require the General Services Administration to prepare and maintain a ranked priority list of all ongoing and proposed construction projects. The list would be updated and reprioritized with each new project added either through administrative or congressional action.

Last year, Congress provided nearly \$900 million for Federal building construction and major repairs not including the funds provided to the Department of Defense. Over the past 5 years Congress obligated over \$4 billion for this purpose. This is an enormous sum of money. Clearly, the Federal building construction program can and must share in the sacrifice as we seek to gain control over the deficit.

As we rein in spending, it is more critical now than ever to ensure that scarce financial resources are allocated to our highest priorities. In order to trim the fat in an informed and efficient manner, Congress, the administration and the taxpaying public must know what our construction priorities are.

During debate on the rescission bill in the last Congress, the Senate considered proposals to cut Federal construction funding. The list of projects proposed for defunding was rather arbitrary and capricious. The tenets of good government dictate that when we reduce spending, our lowest priorities should be put on the chopping block first. Yet, Congress cannot readily determine what those priorities are. By requiring the General Services Administration, which administers the Federal building fund, to maintain a ranked list of project priorities, we can be sure that funding decisions will be made on the basis of merit rather than politics or congressional caprice.

Mr. President, foremost, this legislation will help us address the pork barrel politics which has played far too great a role in the process of Federal building construction. Currently, when a Member of Congress decides a new building is needed in his or her State or district, the General Services Administration conducts what is known as an 11b survey to determine the need. In most cases, the GSA determines that a need exists. The study is then used to justify project authorization and appropriation, even though a finding of need is not a finding that such a project is a priority.

As projects that are not in the President's budget request are added by Congress, we do not always have a clear idea of where they are ranked among competing priorities. Passage of this legislation will ensure that this vital information is readily available.

I urge the relevant committees to expeditiously examine this proposal so

that we can approve rapidly this relatively minor but, I believe, important and helpful change in procedure.

By Mr. ROTH (for himself, Mr. LOTT, Mr. BREAUX, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. ABRAHAM, Mr. KYL, Mr. HELMS, Mr. D'AMATO, Mr. CRAIG, Mrs. HUTCHISON, Mr. MCCONNELL, Mr. THOMAS, Mr. GORDON H. SMITH, Mr. DEWINE, Mr. INHOFE, Mr. BRYAN, Mr. ROBERTS, Ms. MIKULSKI, Mr. SMITH, Mr. HATCH, Mr. BENNETT, Mr. KEMPTHORNE, Mr. INOUE, Mr. ENZI, Mr. FORD, Mr. BURNS, Mr. LIEBERMAN, Mr. HAGEL, Mr. GRAMM, Mr. DODD, Ms. COLLINS, Mr. GREGG, Mr. GRAMS, Mr. BOND, and Mr. KOHL):

S. 197. A bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes; to the Committee on Finance.

THE SAVINGS AND INVESTMENT INCENTIVES ACT
OF 1997

Mr. ROTH. Mr. President, today we reintroduce the super IRA, a savings plan that is well-known as the Roth-Breaux super IRA.

I'm honored again to be joined by Senator JOHN BREAUX, in introducing this bill. I believe now, as I did last Congress, that this is extremely well conceived legislation that succeeds in strengthening two fundamental components of our society: the family and the future of our economy. Much has been written and said about both of these lately, particularly as we look to a new century. Likewise, we're hearing more and more about the need to promote personal responsibility and self-sufficiency.

The Roth-Breaux super IRA will have a positive influence in all of these areas. Congress understands this. That's why Congress has passed similar legislation in the past. We all know that Washington must promote policies that strengthen family and create an environment where our economy can grow, this is why our IRA legislation in the past has been marked by a strong, cooperative, bipartisan spirit. In 1991, legislation similar to this had 78 cosponsors. In 1994, we had 58 cosponsors and in 1995, 52 cosponsors. I believe this legislation will find similar support.

Why? Because this super IRA will go a long way toward strengthening our families and restoring equity to work-at-home spouses and other workers without pensions. It will also boost our Nation's saving rate and lead to capital formation, increased investment and economic growth. The lack of saving in this country, as we all know, is a real concern. Chairman Alan Greenspan at the Federal Reserve says that the single most important long-term economic issue for this country is savings—savings that are essential for jobs, opportunity, and growth.

This super IRA has been designed to address our Nation's need for savings

and to provide families with as much flexibility as possible to use their savings not only for their security, but for the important goals and challenges in life. For example, this super IRA allows withdrawals to be made penalty-free to purchase first homes, to pay for college, and to cover expenses during extended periods of unemployment.

This super IRA removes many of the Tax Code's barriers to retirement saving. First, this bill increases and phases out the IRA's income limits over 4 years, and increases the contribution limit to keep up with inflation. Furthermore, one of the key features of our bill is that we separate the IRA and the 401(k) or 403(b), so Americans can save the maximum in both, and so that spouses who work at home will not have their savings limited by their husband's or wife's 401(k).

To strengthen the way this super IRA serves our families, this legislation not only allows parents to use penalty free withdrawals to help their children meet these goals and challenges, but children can use their IRA's to help their parents. Grandparents can make penalty free withdrawals to help grandchildren. And grandchildren can use their IRA's to help their grandparents. Our objective is to make this IRA as family oriented, as flexible and as useful as possible. It will go a long way toward promoting opportunity and reliance on self and family.

Let me stress, this super IRA bill builds on what we did in the Small Business Job Protection Act of 1996 and eliminates the unequal treatment of work-at-home spouses that now exists under current law. This bill allows spouses—husbands or wives—who work at home to make equal IRA contributions, up to \$2,000, in their own accounts regardless of whether their spouse has an employer pension.

With the super IRA, we also create a new type of individual retirement account—an IRA in which an individual's contribution is not tax deductible, but where the earnings can be withdrawn tax free if the account is open for at least 5 years, and the account owner is at least 59½ when the funds are withdrawn.

Mr. President, it's clear to see why this is a bill whose time has come. We have passed it before—in both Houses of Congress—now we must pass it again. It serves the individual. It serves the family. It serves the Nation. It is equitable, restoring spousal contributions to where they should be. It is flexible, offering penalty free withdrawals for life's necessities. It promises the vital capital formation America needs to invest in its future. And it builds upon the very important concept of self-reliance.

Mr. BREAUX. Mr. President, today Senator ROTH and I are introducing the Savings and Investment Incentive Act of 1997. We have introduced this bill in past Congresses but it is even more timely now as the pressure builds to secure the retirement of the baby boomers.

The facts are staring us in the face. Within 30 years one out of every five Americans will be over 65. The baby boomers are 76 million strong, doubling the number of Social Security beneficiaries by the year 2040.

At the same time, Social Security outlays will begin outpacing Social Security receipts in 2013 and the Social Security trust fund will be bankrupt in 2029 if we don't take the necessary steps to preserve it. And our national savings rate is only 1 percent of GDP. This is one-half of what it was in 1970. By comparison, we save half as much as the Germans and one-third as much as the Japanese. This is a serious problem. We need to address it by reducing the budget deficit and eliminating the drain it places on our national savings but we need to address it in other ways, as well.

The Super IRA bill makes changes in the rules governing IRA's that will expand the availability of the IRA as a savings vehicle. The income caps will be eliminated over a 5-year period. Our bill creates a new kind of IRA that allows taxpayers to earn tax-free income. Funds can be withdrawn from either the current form of IRA or the new IRA to purchase a first home, meet a family's income needs during an extended period of unemployment or to pay for educational expenses.

IRA's have broad bipartisan support as demonstrated by the list of cosponsors. I hope that we will work together to pass this legislation this year.

By Mr. McCAIN:

S. 198. A bill to prohibit campaign expenditures for services of lobbyists, and for other purposes; to the Committee on Rules and Administration.

THE LOBBYING CONFLICT OF INTEREST
ELIMINATION ACT

Mr. McCAIN. Mr. President today I am introducing legislation entitled the "Lobbying Conflict of Interest Elimination Act." This bill would ban a candidate or a candidate's authorized committee from paying registered lobbyists for political services. Additionally, the bill would mandate that any political contributions made by a registered lobbyist be reported by such individual when he or she files his or her lobbying disclosure report as mandated in the Lobbying Disclosure Act.

In the last Congress, we were successful in passing legislation that bans gifts from lobbyists to Members and staff in order to put a wall between lobbyists who seek to curry special favor by the giving of gifts. Unfortunately, a loophole allows lobbyists to serve as fundraisers for Members of Congress, which could result in an increase in their influence.

Mr. President, this practice must stop. Registered lobbyists who work for campaigns as fundraisers clearly represent a conflict of interest. When a campaign employs an individual who also lobbies that Member, the perception of undue and unfair influence is raised. This legislation would stop such practices.

The two important changes made by this legislation represent a substantial effort to close any loopholes that exist in our lobbying and gift laws. The Congress has begun to make great strides to restore the public's confidence in this institution. We must continue that good work.

By Mr. McCAIN:

S. 199. A bill to require industry cost-sharing for the construction of certain new federally funded research facilities, and for other purposes; to the Committee on Governmental Affairs.

THE FEDERAL RESEARCH FINANCING
IMPROVEMENT ACT OF 1997

Mr. McCAIN. Mr. President, today I am introducing legislation to restore fairness and fiscal accountability to the Federal Government's many research and development programs and activities. The bill would require that commercial interests share the cost of constructing and operating new Federal research facilities that are intended to benefit their industries.

Last year, the Federal Government spent \$73 billion for research programs, including facility construction. Many of these programs are intended primarily to assist private industries and are sponsored by a host of Federal agencies, predominantly the Department of Defense, the Department of Agriculture, the Department of Commerce, and the National Research Council.

For example, the Department of Agriculture spends nearly \$750 million per year for 116 centers under the Agriculture Research Service. These federally funded centers are designed to help a variety of agricultural industries, many of which have enormous resources and do not require Federal assistance. I understand the agency is planning to construct even more facilities. Last year, Congress appropriated \$26 million to construct a new swine research center at Iowa State University, even though we already have 12 Federal centers dedicated to swine research. This additional facility will cost nearly \$10 million a year to operate.

Mr. President, I recognize the importance of research and development to our competitiveness and economic growth, although I seriously question why we need 13 centers dedicated to swine research. Nevertheless, given our serious fiscal condition at a time when we are contemplating significant reductions in practically every area of domestic discretionary spending, I see absolutely no reason why Government research that benefits private industries, many of them quite prosperous, should not be cost-shared by the private sector.

Regarding swine research centers, the pork industry generates nearly \$66 billion per year. Surely, it is reasonable to expect the industry, and the many others that directly benefit from Federal research, to share the cost of the centers and its operation. I should add that the legislation would not require cost sharing for any research

conducted for the purpose of helping industry comply with Federal regulations.

Mr. President, industry is historically more cautious with their resources than the Federal Government. If the private sector will not expend their resources for a program that is intended for their benefit, one must question why we should feel compelled to spend the taxpayers' hard-earned money on the same venture. Public-private cost-sharing arrangements for commercially oriented Federal research will ensure that proposed activities are truly cost-beneficial and that the potential outcomes of the research are worth the dollars invested.

Again, I realize and appreciate the importance of research and development. I believe, however, that the legislation is a prudent and responsible approach which, no doubt, can be improved, but which should receive the Senate's full and timely consideration. I hope that we can have a hearing in the very near future to examine what I believe is a very important fiscal issue.

By Mr. AKAKA (for himself and Mr. INOUE):

S.J. Res. 10. A joint resolution to consent to certain amendments enacted by the Legislature of the State of Hawaii to the Hawaiian Homes Commission Act, 1920; to the Committee on Energy and Natural Resources.

THE HAWAIIAN HOMES COMMISSION ACT, 1920
AMENDMENTS CONSENT ACT OF 1997

Mr. AKAKA. Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 10

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That, as required by section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 4), the United States consents to the following amendments to the Hawaiian Homes Commission Act, 1920, adopted by the State of Hawaii in the manner required for State legislation:

(1) Act 339 of the Session Laws of Hawaii, 1993.

(2) Act 37 of the Session Laws of Hawaii, 1994.

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. MACK, his name was added as a cosponsor of S. 1, a bill to provide for safe and affordable schools.

S. 2

At the request of Mr. MACK, his name was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for American families, and for other purposes.

S. 3

At the request of Mr. MACK, his name was added as a cosponsor of S. 3, a bill

to provide for fair and accurate criminal trials, reduce violent juvenile crime, promote accountability by juvenile criminals, punish and deter violent gang crime, reduce the fiscal burden imposed by criminal alien prisoners, promote safe citizen self-defense, combat the importation, production, sale, and use of illegal drugs, and for other purposes.

S. 4

At the request of Mr. MACK, his name was added as a cosponsor of S. 4, a bill to amend the Fair Labor Standards Act of 1938 to provide to private sector employees the same opportunities for time-and-a-half compensatory time off, biweekly work programs, and flexible credit hour programs as Federal employees currently enjoy to help balance the demands and needs of work and family, to clarify the provisions relating to exemptions of certain professionals from the minimum wage and overtime requirements of the Fair Labor Standards Act of 1938, and for other purposes.

At the request of Mr. ASHCROFT, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 4, supra.

S. 5

At the request of Mr. MACK, his name was added as a cosponsor of S. 5, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

S. 6

At the request of Mr. MACK, his name was added as a cosponsor of S. 6, a bill to amend title 18, United States Code, to ban partial-birth abortions.

At the request of Mr. SANTORUM, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 6, supra.

S. 7

At the request of Mr. MACK, his name was added as a cosponsor of S. 7, a bill to establish a United States policy for the deployment of a national missile defense system, and for other purposes.

S. 8

At the request of Mr. MACK, his name was added as a cosponsor of S. 8, a bill to reauthorize and amend the Comprehensive Environmental Response, Liability, and Compensation Act of 1980, and for other purposes.

S. 9

At the request of Mr. MACK, his name was added as a cosponsor of S. 9, a bill to protect individuals from having their money involuntarily collected and used for politics by a corporation or labor organization.

S. 10

At the request of Mr. MACK, his name was added as a cosponsor of S. 10, a bill to reduce violent juvenile crime, promote accountability by juvenile criminals, punish and deter violent gang crime, and for other purposes.

S. 15

At the request of Mr. INOUE, his name was added as a cosponsor of S. 15,

a bill to control youth violence, crime, and drug abuse, and for other purposes.

S. 40

At the request of Mr. FAIRCLOTH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 40, a bill to provide Federal sanctions for practitioners who administer, dispense, or recommend the use of marijuana, and for other purposes.

S. 104

At the request of Mr. MURKOWSKI, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 104, a bill to amend the Nuclear Waste Policy Act of 1982.

SENATE CONCURRENT RESOLUTION 4—COMMENDING AND THANKING THE HONORABLE WARREN CHRISTOPHER

Mr. CONRAD (for himself, Mr. DORGAN, Mr. DODD, Mr. BIDDEN, Ms. MOSELEY-BRAUN, and Mr. DASCHLE) submitted the following concurrent resolution; which was considered and agreed to:

Whereas Secretary Warren Christopher served as Secretary of State from 1993 until 1997, and maintained the tradition of that Office by representing the international interests of the United States with great dignity, grace, and ability;

Whereas Secretary Christopher, during his tenure as Secretary of State, engaged in more international travel than any other Secretary of State in United States history, reflecting his indefatigable commitment to advancing peace and justice, protecting and promoting United States interests, and preserving United States leadership in international affairs;

Whereas Secretary Christopher has played a key leadership role in United States foreign policy achievements, including ending the war in Bosnia, restoring an elected government in Haiti, and advancing peace in the Middle East;

Whereas Secretary Christopher served with distinction as Deputy Secretary of State from 1977 until 1981 and, among his accomplishments as Deputy Secretary, is credited with skillfully negotiating the release of American hostages in Iran;

Whereas Secretary Christopher has had a distinguished career in law and public service in California;

Whereas Secretary Christopher, born in Scranton, North Dakota, is one of North Dakota's most distinguished native sons and has always displayed the quiet strength and work ethic associated with the people of the Great Plains;

Whereas in 1997 Secretary Christopher leaves his position as the 63d Secretary of State; and

Whereas Secretary Christopher has earned the respect and admiration of Congress and the American people: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress commends and thanks the Honorable Warren Christopher for his exemplary diplomatic service, and for his skillful and indefatigable efforts to advance peace and justice around the world.