likely to fall behind in school, more likely to become a future welfare or crime statistic.

I cannot understand why this Congress, like so many businesses, and I guess so many people, cannot look ahead beyond the next budget. We live in a country where the biggest growth industry is the construction of prisons. There are 19 cities in my home State of Illinois competing right now not for a new business but for the latest prison to be built by our State. We have more people under lock and key in America than in any country other than Russia. Why?

Is it because we are just more violent, more prone to criminal activity? I think it is a much deeper question. It goes to our children, whether or not some of these kids can be rescued, can be saved, can be put on the right path in their lives. It involves a commitment. Yes, I believe in three strikes you're out, but I also believe in taking the necessary action to avoid the first strike. Give a child a chance with prenatal nutrition, with appropriate infant nutrition, with Head Start, with education, with mentoring, the kind of community support that counts. And yet this body I am afraid considers that to be squandering of national assets. We have all the money in the world to build a prison. We do not have all the money in the world to improve our schools. When my colleague, Senator CAROL MOSELEY-BRAUN, comes forward with the crumbling schools proposal that says let us make sure the schools our kids attend are safe, that they have appropriate care for the children there, we find out that there are many people particularly on the Republican side of the aisle who say that is something that our Government should not worry about. I disagree. The shiniest new building in many cities across America is a prison; the one that is crumbling down is a school. What message does that send to children, to families and to our Nation?

When this Senate decided today to defeat my amendment not to send food stamps to these children, I am afraid it is a decision we will pay for for years to come. These kids are likely to become citizens of the United States. They are likely to be our neighbors, kids seeking jobs in the future. We are penny-wise and pound-foolish when we do not provide the basic necessities of life like food and health care and education for children.

So, yes, I supported welfare reform. I think the economy has sustained the kind of growth which has given welfare reform an opportunity to flourish but, for goodness sakes, why aren't we investing in our children? Why has this become so partisan and so strident that when we stand up with the Levin amendment and talk about more time for vocational education so that kids can get off welfare and go to work, it becomes a partisan vote? The Republicans say no; the Democrats say yes. Nothing happens. For the kid, the young man, the young woman who needs a chance at education, that was an important vote. And this Senate said no. That does not make sense. End welfare but end it responsibly. Make an investment in America's kids, an investment that will pay off for many generations to come.

Mr. SANTORUM. Will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. Who seeks time?

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. I would like to quickly respond, if I could, to just a couple of comments. I hope we will not stand here and say that the welfare program, the changes that we made in the last Congress have been a failure. They have been a great success. Look in my home State of Kansas where welfare rolls have gone down 30 percent. And, yes, we have had a strong economy, but in the past we have had a strong economy when the welfare rolls have gone up. You have to change the incentives in the program. That is what we did in the last Congress. It was a positive step to move forward. So I hope that we do not make something a failure when it has been a strong success and people are working now rather than receiving payments from the Government and they are having more self-confidence themselves.

I think this is good for people, too, because with the past system the people on welfare, along with the people that paid for welfare, thought it was a horrible failure and a horrible system. We have changed the dynamics, and we have changed the incentives in this program to where the people are incentivized to work. And they feel good about it. They feel better about it. And this is a program that is going to work.

I think there are a lot of things we could spend money on that might well be good, but we have tended to do a lot of that in the past, to the point we are over $5 trillion in the hole. So that we just cannot keep voting for everything to be able to do it or else we are not going to get in balance.

MOST-FAVORED-NATION STATUS FOR CHINA

Mr. BROWNBACK. Mr. President, I would like to comment on the comments of the Senator from Michigan where he was addressing a foreign policy concern, and that is China.

Yesterday, the House voted on most-favored-nation status and extended that status toward China even though we are having a great deal of difficulty in that country, and I do think we need to take additional steps in addressing this issue of China and our relationships back and forth.

We have had problems with that nation expanding weapons of mass destruction, selling them to some of our enemies that we have around the world, particularly Iran. We have had problems with religious persecution, with forced abortion in that nation, and I think we need to step up and pass the issue of MFN.

The Senator from Michigan has a start in his bill when he is talking about some different areas where we can put pressure on that nation in our relationship there to encourage more religious freedom taking place and to discourage things like weapons proliferation.

RELIGIOUS PERSECUTION

On Monday of this week, Senators JOE LIEBERMAN and ROBERT BENNETT, along with myself, hosted a forum on religious persecution around the world. We found this was not just a problem in China. It is in the Middle East. It is in Africa. And we are talking about an issue that goes beyond just certain levels of discrimination, all the way to the point of slavery, to murder that is taking place in those countries.

A number of us came forward with solutions. Let's create a register of those people who are being persecuted around the world, and let's start to highlight it. Let's start a commission in areas of the Middle East, in Africa, focusing on this issue of the need for religious freedom. It is a founding principle of this country. People came here seeking freedom, seeking religious freedom. We are and we always will be best as a nation when we talk about principles. This is a guiding principle that we need to continue to move forward beyond this debate of MFN and focus nationally on this issue of what is taking place there. Create the register, create the commissions, focusing on this area. And I look forward to working with my colleagues, Senator LIEBERMAN and many others. I hope it will begin in us talking about something that is so basic to America, religious freedom. We need to implement that and move those around the world.

I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

(The remarks of Mr. KERRY pertaining to the introduction of S. 956 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

BALANCED BUDGET ACT OF 1997

Mr. DOMENICI. Parliamentary inquiry. Is it not time to return to consideration of the bill?

The PRESIDING OFFICER. Under the previous agreement, the Senate resumes consideration of S. 947. The Senator is correct.

The Senate continued with the consideration of the bill.

AMENDMENT NO. 467, AS MODIFIED

(Purpose: To preserve religious choice in long-term care)

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, in behalf of Senator GRASSLEY, I submit a modified amendment, No. 467. It has been cleared on both sides. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. GRASSLEY, proposes an amendment numbered 467, as modified.

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

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

The amendment, as modified, is as follows:

On page 689, between lines 2 and 3, insert the following:

''(iii) RELIGIOUS CHOICE.—The State, in permitting an individual to choose a managed care entity under clause (i) shall permit the individual to have access to appropriate religiously-affiliated long-term care facilities that are not pervasively sectarian and that provide comparable non-sectarian medical care. With respect to such access, the State shall permit an individual to select a facility that is not a part of the network of the managed care entity if such network does not provide access to appropriate faith-based facilities. Such facility that provides care under this clause shall accept the terms and conditions offered by the managed care entity to other providers in the network. No facility may be compelled to admit an individual if the medical director of that facility believes that the facility cannot provide the specific nursing care and services an enrollee requires.

Mr. DOMENICI. I yield any time we have on the amendment.

The PRESIDING OFFICER. All time is yielded back. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 467), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 473, WITHDRAWN

Mr. DOMENICI. Mr. President, in behalf of Senator HUTCHISON, I seek the withdrawal of amendment No. 473. I ask it be withdrawn.

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

The amendment (No. 473) was withdrawn.

AMENDMENT NO. 493

Mr. DOMENICI. Senator KENNEDY has an amendment, No. 493, Kennedy-Lautenberg. Senator LAUTENBERG introduced it for Senator KENNEDY, to exempt severely disabled aliens from the ban on receipt of supplemental income. It is at the desk. I indicate from our side that there is no objection. I understand from the Democratic side there is no objection.

Senator KENNEDY, is that correct?

Mr. KENNEDY. That is correct. I thank the chairman of the committee for his consideration. It is a serious issue and a heartrending issue for many different individuals. The willingness to accept this amendment is something we are very, very appreciative of. If I might just say a few words about it.

Under the budget reconciliation bill, legal immigrants who are already in this country can keep their SSI benefits. But for those who come in the future, SSI is only for citizens. They have to become citizens to qualify in the future, so your sponsor must take care of you until then.

This amendment creates a small exception to that rule. It enables immigrants who are too disabled to qualify for citizenship to retain their SSI eligibility.

Some immigrants and refugees—though not many—become too disabled to qualify for citizenship. Under this bill, their sponsors have to care for them for life. If they don't have sponsors, they have nowhere to turn.

One example is Vien Vu. His family fled Vietnam after years of serving side-by-side with the United States Armed Forces. But Vien Vu has Downs syndrome. He is 34 years old. The rest of his family has become American citizens but Vien will never qualify for citizenship. His family needs SSI to care for him for the rest of his life.

Mendel Tsadovich is a Latvian Holocaust survivor who is too mentally retarded to qualify for naturalization. In 1992, he and his family escaped as refugees from the anti-Semitism of the former Soviet Union. He is now 61 and living in New York. He is the only surviving member of his family, and depends on SSI for assistance. He has no sponsor.

Vien and Mendel are the lucky ones. They arrived before passage of last year's welfare law. So the reconciliation bill will continue their SSI coverage. But what about the Viens and Mendels who arrive in the future?

With the passage of the Lautenberg amendment this morning, my amendment costs almost nothing. CBO scores it as having little budget impact. So, we can help all those like Vien and Mendel and still balance the budget by 2002.

The number of immigrants this amendment affects is small, perhaps only a few thousand people a year. But these immigrants often depend on SSI benefits for their survival. If they do not have the ability to become citizens, Congress should not deny them the SSI benefits they need.

Mr. DOMENICI. Mr. President, I have a couple of seconds. I want to say, some may ask why I accepted this. Actually, it's a very tiny group of people. It covers those who are so seriously disabled that the disability disqualifies them from completing their naturalization process. Therefore, they cannot become citizens. They are noncitizens, but legal. As a result, they are denied benefits described in the Kennedy amendment for only that reason. So I agree to accept that.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 493) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 469

Mr. DOMENICI. I understand the next amendment in order is by Senator SPECTER, No. 469. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I am offering this amendment on behalf of Senator ROCKEFELLER, Senator SANTORUM, Senator SNOWE, Senator COLLINS, and Senator CAMPBELL. It would ensure that $1.5 billion over 5 years of Medicare premium subsidies is provided to the low-income elderly with annual incomes up to $12,000 through expansion of the existing Medicaid Program, instead of what is in the current bill, to add $1.5 billion through a new State block grant program.

This amendment is preferable, by doing it on an existing program instead of setting up a new bureaucracy. It is necessary because the premium increases in the bill are permanent, but there is no guarantee of permanent subsidies for the 3.2 million poor senior citizens covered unless this amendment would be adopted.

I yield the remainder of my time to Senator ROCKEFELLER.

Mr. ROCKEFELLER. Mr. President, I point out that this amendment would help seniors making, on an annual basis, between $9,500 a year and $11,900 a year. It would simply take the principles of the Medicaid Program and carry them forward, and simply say those folks deserve to get help in the Medicare payment because they are so desperately poor. This is well established in Medicaid. We are now applying it to a new area and saying, rather than 120 percent of poverty, we are saying 120 percent of poverty to 150 percent of poverty. It is very sensible. It helps people.

This program is going to sunset in 5 years, but their costs are not going to sunset in 5 years. We think it is an amendment which both sides are willing to vote for.

The PRESIDING OFFICER. The time has expired. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first I make a point of order that the amendment is not germane.

Mr. SPECTER. Mr. President, I move to waive.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, yesterday we provided $1.5 billion in new funds to assist Medicare beneficiaries between 120 and 150 percent of the poverty line with their part B premiums. That was expected under the agreement that we entered into with the White House. We provided these funds as a State program, providing maximum flexibility to reach these individuals in the greatest need. We do not need this additional program, which would create a new entitlement, which we can't afford. I urge my colleagues to oppose the amendment, or to support the point of order.

I yield the floor.

MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania to waive the Budget Act. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER (Mr. GREGG). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted, yeas 52, nays 48, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—52

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Glenn	Moynihan
Bond	Graham	Murray
Boxer	Harkin	Reed
Breaux	Hollings	Reid
Bryan	Inouye	Robb
Bumpers	Jeffords	Rockefeller
Byrd	Johnson	Santorum
Cleland	Kennedy	Sarbanes
Collins	Kerrey	Snowe
Conrad	Kerry	Specter
D'Amato	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

NAYS—48

Abraham	Frist	Mack
Allard	Gorton	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Brownback	Grassley	Nickles
Burns	Gregg	Roberts
Campbell	Hagel	Roth
Chafee	Hatch	Sessions
Coats	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Stevens
DeWine	Kempthorne	Thomas
Domenici	Kyl	Thompson
Enzi	Lott	Thurmond
Faircloth	Lugar	Warner

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, how much time did that vote take?

The PRESIDING OFFICER. That vote took 17 minutes.

Mr. DOMENICI. I understand the leader will be—

The PRESIDING OFFICER. If the Senator will suspend, I ask that there be order in the Chamber and that Members wishing to pursue discussions, and especially staff wishing to pursue discussions, take those discussions to the Cloakroom. We are not going to proceed until there is order so the Senator from New Mexico can be heard.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I repeat my question. How much time did the last vote take?

The PRESIDING OFFICER. The last vote took approximately 17 minutes.

Mr. DOMENICI. We are operating on a unanimous-consent agreement that says we will take 10 minutes for rollcall votes. I understand the leader will be along shortly and indicate we that will go to the 10-minute rule. But I am not going to hold Senators to that unless the leader comes and confirms it. But 17 minutes, that is an extra hour for people today; it seems like to me maybe longer.

We have a little business we can conduct at this point.

AMENDMENT NO. 495

Mr. DOMENICI. We are willing to accept a Conrad amendment dealing with the nurse aide registry.

I ask the Senator, are you willing to accept that on your side?

Mr. LAUTENBERG. We are.

Mr. DOMENICI. We yield back any time on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 495) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 470

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator SPECTER's next amendment, which is 470, that it be temporarily set aside. And the Senator would like 30 seconds to explain why he is agreeing to that.

Mr. SPECTER. Mr. President, this is an amendment related to disproportionate share. Some States have been hit very hard because some of the funds have been used for mental health facilities. There has already been substantial improvement; illustratively, for Pennsylvania, which had been on the books to sustain a loss of $1.7 billion, it is down to $750 million. And the managers are now considering an amendment which would improve that situation materially.

So I agree with my distinguished colleague from New Mexico to set it aside temporarily with the hope we may be able to work it out, and ultimately have it withdrawn if a satisfactory resolution can be arrived at.

The PRESIDING OFFICER. Without objection, it is set aside.

Mr. DOMENICI. Mr. President, I ask one further unanimous consent, that Senator MIKULSKI's amendment No. 489 follow Senator SPECTER's amendment, which he will proceed with now, which is amendment 471.

I yield the floor.

The PRESIDING OFFICER. Is there objection?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from West Virginia.

POINT OF ORDER

Mr. ROCKEFELLER. Mr. President, I ask for the regular order with regard to the point of order under the Byrd rule which was raised on the balanced billing.

The PRESIDING OFFICER. The Senator's point of order is the regular order.

Mr. DOMENICI. Mr. President, might I ask, how is the Chair going to rule? Parliamentary inquiry. Can't do that? I withdraw the question.

I move to waive the point of order and ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The clerk will call the roll.

Mr. BYRD. Mr. President, may we have some explanation what we are about to vote on?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 1 minute.

Mr. ROCKEFELLER. I urge my colleagues to vote no, against the motion to waive the Budget Act, so that we protect patients in these sorts of very special Medicare Choice programs who, unless we give them the protection, unless we vote no, doctors are going to be able to charge whatever they want. Everybody else under Medicare is under something called balanced billing. Balanced billing means you can only charge 15 percent more than what Medicare pays for it. This was agreed to in 1989 when we did a massive Medicare reform.

We should not be able to take a sort of special fee for service part of the new Medicare Choice and suddenly say that the doctor can charge them anything they want. They have no protection from balanced billing rules which protects all other people who are under Medicare. And it is the law of the land. It is a very important principle, a very important point. And since we have

done this in 1989, since we have put a cap on the balanced billing, which the other side would have us let go, seniors have saved $2 billion since 1989.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute.

Mr. DOMENICI. Mr. President, I yield 40 seconds of that to Senator GRAMM. I will use 20.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, by giving a broad range of choices to our seniors, we have given them the ability to opt into a private fee-for-service health insurance policy.

Now, if we come along and start restricting the way that a private health insurance policy can function, and tell them how they are to bill for physician services, we take away the whole competitive nature of what we are trying to create. I know some people do not like the idea of expanding choices for seniors.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAMM. But that is what we have done, and we need to preserve the ability of these mechanisms to function. It is important we waive the point of order.

Mr. DOMENICI. Mr. President, essentially this amendment will gut MSA's and private fee-for-service programs that come into this bill which permits seniors a wide array of options. They are gone essentially, for the regulatory mechanisms that will be imposed on them will make them a nullity.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah [Mr. HATCH] is necessarily absent.

The yeas and nays resulted—yeas 62, nays, 37, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—62

Abraham	Faircloth	McCain
Allard	Feinstein	McConnell
Ashcroft	Frist	Moynihan
Bennett	Gorton	Murkowski
Biden	Gramm	Nickles
Bingaman	Grams	Roberts
Bond	Grassley	Roth
Breaux	Gregg	Santorum
Brownback	Hagel	Sessions
Burns	Helms	Shelby
Campbell	Hutchinson	Smith (NH)
Chafee	Hutchison	Smith (OR)
Coats	Inhofe	Snowe
Cochran	Jeffords	Specter
Collins	Kempthorne	Stevens
Coverdell	Kerrey	Thomas
Craig	Kyl	Thompson
D'Amato	Landrieu	Thurmond
DeWine	Lott	Torricelli
Domenici	Lugar	Warner
Enzi	Mack	

NAYS—37

Akaka	Boxer	Bumpers
Baucus	Bryan	Byrd
Cleland	Hollings	Moseley-Braun
Conrad	Inouye	Murray
Daschle	Johnson	Reed
Dodd	Kennedy	Reid
Dorgan	Kerry	Robb
Durbin	Kohl	Rockefeller
Feingold	Lautenberg	Sarbanes
Ford	Leahy	Wellstone
Glenn	Levin	Wyden
Graham	Lieberman	
Harkin	Mikulski	

NOT VOTING—1

Hatch

The PRESIDING OFFICER. On this question, the yeas are 62, the nays are 37. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. NICKLES. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, the Democratic leader and I have talked about the necessity to try to complete votes in the time prescribed. We have been warning and urging Members to stay in the Chamber to do these votes. It has taken about 50 minutes to do two votes. We did cut that last vote off with one Member missing. This is the final warning. From here on in after 10 minutes we are going to turn in the vote.

So please stay in the Chamber. Let's vote. We can save ourselves an hour or more if we do that. Please do that. Please cooperate with us and we can get our work done and get it done an hour or so earlier.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI. Mr. President, I believe under the rule, Senator SPECTER is up.

AMENDMENT NO. 471

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, this amendment eliminates the cuts on indirect grants in medical education. In 48 States there are 1,085 teaching hospitals which perform very, very valuable services. In addition to teaching professionals, they give basic health services, customarily in the inner cities. With a disproportionate share coming into effect, their financing is very, very important.

Beyond that, they give highly specialized patient care so that if you have some really extraordinary medical problem, where you go is to these graduate medical educational institutions.

These cuts would be crippling. I suggest that as a matter of priority they be eliminated from this bill.

Mr. DOMENICI. Mr. President, I yield 40 seconds of the 1 minute to Senator ROTH.

Mr. ROTH. Mr. President, I oppose this amendment. Simply put, according to most experts, Medicare today overpays for indirect medical education, which is a special Federal subsidy for training new doctors. We have substantially but responsibly reduced those payments in our bill, and, indeed, these payments will remain very generous. This amendment is not needed and would prevent us from meeting our budget instructions.

Mr. DOMENICI. Mr. President, this amendment will cost us $5.6 billion in this bill alone. The explanation given by the distinguished chairman seems to me to indicate we are going to be more than fair with reference to the indirect payment.

Mr. SPECTER. I believe I have 7 seconds remaining.

Mr. President, this will not require a waiver of the Budget Act, and although the sum is not insignificant, this is really important for America.

I ask that Senator D'AMATO be listed as a cosponsor.

Mr. DOMENICI. Some Senators might wonder why it is not subject to a point of order when it cuts $5.6 billion. That is because it is a motion to strike, and motions to strike are in order under the Budget Act regardless of their impact.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 29, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—71

Abraham	Ford	Lott
Allard	Frist	Lugar
Ashcroft	Glenn	Mack
Baucus	Gorton	McCain
Bennett	Graham	McConnell
Breaux	Gramm	Moseley-Braun
Brownback	Grams	Murkowski
Bryan	Grassley	Nickles
Burns	Gregg	Reed
Campbell	Hagel	Robb
Chafee	Hatch	Roberts
Coats	Helms	Rockefeller
Cochran	Hollings	Roth
Collins	Hutchinson	Sessions
Conrad	Hutchison	Shelby
Coverdell	Inhofe	Smith (NH)
Craig	Kempthorne	Smith (OR)
DeWine	Kerrey	Snowe
Dodd	Kohl	Stevens
Domenici	Kyl	Thomas
Dorgan	Landrieu	Thompson
Enzi	Lautenberg	Torricelli
Feingold	Leahy	Warner
Feinstein	Lieberman	

NAYS—29

Akaka	Durbin	Moynihan
Biden	Faircloth	Murray
Bingaman	Harkin	Reid
Bond	Inouye	Santorum
Boxer	Jeffords	Sarbanes
Bumpers	Johnson	Specter
Byrd	Kennedy	Thurmond
Cleland	Kerry	Wellstone
D'Amato	Levin	Wyden
Daschle	Mikulski	

The motion to lay on the table the amendment (No. 471) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The regular order would now be the Mikulski amendment.

AMENDMENT NO. 472, WITHDRAWN

Mr. DOMENICI. Mr. President, on behalf of Senator BURNS, I withdraw Senate amendment No. 472.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 472) was withdrawn.

AMENDMENT NO. 494, WITHDRAWN

Mr. DOMENICI. On behalf of Senator CONRAD, I withdraw amendment No. 494.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 494) was withdrawn.

AMENDMENT NO. 489

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Thank you very much. On behalf of Mr. WELLSTONE and myself, we have an amendment at the desk that will strike the committee action and restore something called the Boren amendment. The Boren amendment was passed and signed by President Reagan in 1981 to ensure adequate access to health care services for Medicaid beneficiaries.

The Boren amendment simply stated that payment rates for hospitals and nursing homes must be reasonable and adequate to meet the cost of operating the facilities. That is reimbursements by Medicaid. Now, under the committee action, we would take that away. We would give permission to States to further reduce payment rates to nursing homes at this time. This would have a devastating affect on quality care, and it would have a devastating affect on access to care for beneficiaries.

The simple fact is that Medicaid payment rates to nursing homes does affect quality and our ability to meet the standards that are mandated for health and safety. Nursing homes have stopped taking Medicaid patients. Because of that, I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield 30 seconds of my minute to the Senator from Texas.

Mr. GRAMM. Mr. President, we are always looking for bipartisanship. The President is in favor of repealing the Boren amendment. The National Governors' Association is in favor of repealing the Boren amendment. The amendment of the Senator from Maryland will raise the deficit and reduce our savings by $1.2 billion. How does anybody know what is reasonable and adequate? The Boren amendment has produced endless lawsuits. States want to negotiate with hospitals and get the best rate they can. Repealing the Boren amendment takes it out of the courts.

Mr. DOMENICI. Mr. President, as we negotiated a balanced budget with the President and the Governors, the administration regularly said, ''We want to provide flexibility.'' What is flexibility? Get rid of the Boren amendment. That is what they kept saying. Provide flexibility instead of the rigidity brought on by lawsuits. The Boren amendment should be dead. The President is not for it. Now someone wants to put it back in, and it will cost $1.2 billion to put something back in that didn't work.

I move to table the Mikulski amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—66

Abraham	Faircloth	Leahy
Allard	Feingold	Lott
Ashcroft	Frist	Lugar
Baucus	Gorton	Mack
Bennett	Graham	McCain
Bingaman	Gramm	McConnell
Bond	Grams	Moynihan
Breaux	Grassley	Murkowski
Brownback	Gregg	Nickles
Bryan	Hagel	Robb
Burns	Hatch	Roberts
Campbell	Helms	Roth
Chafee	Hollings	Santorum
Coats	Hutchinson	Sessions
Cochran	Hutchison	Smith (NH)
Collins	Inhofe	Smith (OR)
Conrad	Jeffords	Snowe
Coverdell	Kempthorne	Specter
Craig	Kerrey	Stevens
DeWine	Kohl	Thomas
Domenici	Kyl	Thompson
Enzi	Lautenberg	Thurmond

NAYS—34

Akaka	Ford	Murray
Biden	Glenn	Reed
Boxer	Harkin	Reid
Bumpers	Inouye	Rockefeller
Byrd	Johnson	Sarbanes
Cleland	Kennedy	Shelby
D'Amato	Kerry	Torricelli
Daschle	Landrieu	Warner
Dodd	Levin	Wellstone
Dorgan	Lieberman	Wyden
Durbin	Mikulski	
Feinstein	Moseley-Braun	

So the motion to lay on the table the amendment (No. 489) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, how much time did we use on that vote?

The PRESIDING OFFICER. Twelve minutes.

Mr. DOMENICI. I thank the Chair.

CHANGE OF VOTE

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Thank you, Mr. President.

On rollcall vote 124, I voted ''no.'' It was my intention to vote ''yes.'' Therefore, I ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

Mr. DOMENICI. Regular order.

AMENDMENT NO. 488

The PRESIDING OFFICER. Regular order is the amendment of the Senator from Minnesota, No. 488.

Mr. WELLSTONE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will come to order.

We can move this along if Members in the room would withdraw their conversations to the Cloakroom, and if the staff will reserve their conversations.

The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, if I could just say to you, I am not going to start, if I could ask for order.

The PRESIDING OFFICER. If the Senator will suspend, we are not going to proceed until the Senator from Minnesota can be fairly heard. The staff will reserve their conversations. It will help to move this along.

The Senator from Minnesota is recognized for 1 minute.

Mr. WELLSTONE. Mr. President, it is hard in this process because people want to talk. But these amendments have consequences for people's lives.

I would like to wait until we have order.

Mr. DOMENICI. Mr. President, we can't hear.

Mr. WELLSTONE. I have people talking all around me.

The PRESIDING OFFICER. The Senator from Minnesota is correct.

The Senator from Minnesota is recognized.

Mr. WELLSTONE. Thank you.

Mr. President, I offer this amendment with Senator MIKULSKI. We just repealed the Boren provision, which was an effort to make sure that there was reasonable and adequate rates of reimbursement. This was for nursing homes, children's hospitals, group care for people with disabilities.

What we do in this amendment is a compromise, colleagues. We just simply require that States provide assurance to the Secretary that the rates will be actuarially sufficient to ensure adequate care.

We don't have any vague standard. This is an actuarially sufficiency standard. We are just saying to States, let's have some standard that you can say you have had an independent analysis done and that you are providing the resources so the children's hospitals and nursing homes and group

homes can provide adequate care to very vulnerable seniors, children and the disabled.

Please vote for this compromise. We can't wipe out all of these standards.

Other than that, I do not feel strongly about it.

The PRESIDING OFFICER. Who rises in opposition?

The Senator from New Mexico.

Mr. DOMENICI. Would Senator ROTH like some time on this?

I will give you half the time.

Mr. ROTH. All right. Mr. President, I rise in opposition to this amendment. It raises again the same questions that were raised in respect to the Boren amendment. The history of the Boren amendment is a classic example of unintended consequences as its been used to increase costs of the program rather than control costs. The Governors are in opposition as well as the administration.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico has 30 seconds.

Mr. DOMENICI. Mr. President, the Senate has just overwhelmingly agreed we do not need the Boren amendment back on the horizon, and I view this as a new, similar burden on trying to get reasonably priced care. Perhaps it will be known in the future not as the Boren amendment but the Wellstone amendment. But believe you me, it will be just as egregiously antiefficient as the previous one, for there will be many, many court interpretations of the language that is now going to be inserted as a test of whether or not the charges are fair.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I make a point of order that amendment violates section 310 of the Budget Act.

Mr. WELLSTONE. I move to waive that.

The PRESIDING OFFICER. Is there a sufficient second on the motion to waive? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio [Mr. GLENN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 39, nays 60, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—39

Akaka	Chafee	Feinstein
Baucus	Cleland	Ford
Biden	Conrad	Frist
Bingaman	Daschle	Graham
Boxer	Dodd	Harkin
Bumpers	Dorgan	Hollings
Byrd	Durbin	Inouye
Jeffords	Levin	Reid
Johnson	Lieberman	Rockefeller
Kennedy	Mikulski	Sarbanes
Kerry	Moseley-Braun	Torricelli
Lautenberg	Murray	Wellstone
Leahy	Reed	Wyden

NAYS—60

Abraham	Feingold	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Moynihan
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Robb
Brownback	Hagel	Roberts
Bryan	Hatch	Roth
Burns	Helms	Santorum
Campbell	Hutchinson	Sessions
Coats	Hutchison	Shelby
Cochran	Inhofe	Smith (NH)
Collins	Kempthorne	Smith (OR)
Coverdell	Kerrey	Snowe
Craig	Kohl	Specter
D'Amato	Kyl	Stevens
DeWine	Landrieu	Thomas
Domenici	Lott	Thompson
Enzi	Lugar	Thurmond
Faircloth	Mack	Warner

NOT VOTING—1

Glenn

The PRESIDING OFFICER. On this vote the yeas are 38; the nays are 61. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained and the amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. Without objection, the motion to reconsider is laid on the table.

The motion to lay on the table was agreed to.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

CHANGE OF VOTE

Mr. FRIST. Mr. President, on rollcall vote No. 125, it was my intention to vote nay. I ask unanimous consent that I be permitted to change my vote. This will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 497 WITHDRAWN

Mr. DOMENICI. Mr. President, amendment No. 497, of Senator KOHL, I move to withdraw that in his behalf.

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

Amendment No. 497 was withdrawn.

AMENDMENT NO. 498

Mr. DOMENICI. There are two amendments we are going to accept, and then we will proceed to a Kennedy education amendment. The first is a Harkin amendment, No. 498, on microdemonstration programs for welfare recipients under small business. Senator HARKIN, we have agreed to accept that. There is no objection on either side.

Mr. HARKIN. I appreciate that very much. I thank the chairman.

Mr. DOMENICI. I ask consent Senator BOND, chairman of the Small Business Committee, and Senator DOMENICI, be cosponsors.

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

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 498) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. Without objection, that motion is laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 491

Mr. DOMENICI. Senator BAUCUS has an amendment, No. 491, regarding cost-sharing provisions. We are prepared to accept that amendment at this time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the chairman of the committee has adequately described the amendment. I very much appreciate that he will accept the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 491) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. Without objection, the motion to reconsider is laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 490

Mr. DOMENICI. Now I believe amendment No. 490 by Senator KENNEDY is next.

The PRESIDING OFFICER. We shall not proceed to it until we have order. The Senator from Massachusetts is recognized for 1 minute.

Mr. DOMENICI. Will the Senator yield for a moment?

Mr. KENNEDY. Yes.

Mr. DOMENICI. Let me say for Senators' benefit, it looks like there are only three to four amendments left. So, if you can bear with us for just a little longer, I know this has been an ordeal. The only remaining thing after that would be the points of order, if any, that they might have on the Democrat side.

Mr. LAUTENBERG. We have a few.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. If we could get the attention of the Senate again. If we could have conversations removed to the Cloakroom.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 40 seconds, 20 seconds to my colleague, Senator DODD. We offered this together.

This amendment is supported by the American Council on Education and virtually all of the higher education agencies and organizations, as well as the student organizations. Effectively, it will reduce tuitions by $1.4 billion over the next 5 years, and it is fully paid for by the reduction in terms of the guarantees to the guaranty agencies from 98 to 95 percent of the loans.

There are offsets there. The process that we have done in terms of the offsets is virtually identical to what was done by the Republican initiative in the reconciliation bill. I hope it will be successful. It will reduce student tuitions by at least $70.

Mr. DODD. Mr. President, there are $26 billion outstanding in student loans. This amendment has two parts. It does away with the automatically required administrative cost allowance, which is unnecessary. That can be dealt with in the higher education bill. And it cuts in half the origination fees, 4 percent to 2. It is a very big issue for families.

The PRESIDING OFFICER. Who rises in opposition?

Mr. JEFFORDS. Mr. President, I rise in opposition to the amendment offered by the Senator from Massachusetts, [Mr. KENNEDY]. Briefly, this amendment would rewrite title VII of the reconciliation bill, which includes the student loan provisions reported by the Committee on Labor and Human Resources by a vote of 17 to 1.

I have two major reasons for opposing this amendment. First, it will harm students by destabilizing the guaranteed loan program; and, second, it addresses issues which belong in the debate of reauthorization of the Higher Education Act—not the budget reconciliation bill.

Let me be clear. Adoption of the Kennedy amendment will harm students—not help them. No one in the Senate is more committed to improving educational opportunities than I am. I have worked to strengthen student loan programs for over 22 years. If I honestly believed that this amendment was in the best interests of students, I would support it. It is precisely because of my commitment to the well being of students, however, that I so strongly oppose this amendment.

I want to take a few minutes to explain exactly why this amendment is not in the best interests of students or their families and why it was rejected when it was considered by the Labor Committee.

First of all, it is important to understand that the proposal which was approved by the committee was carefully crafted to preserve two viable student loan programs—the Federal Family Education Loan [FFEL] Program, guaranteed loans, and the Federal Direct Loan Program. This proposal respects the so-called truce between the two programs which was reflected in the portion of the budget agreement calling for a fair distribution of savings between the two programs.

The amendment of the Senator from Massachusetts breaks this truce. In the name of helping students, this amendment would drain such a substantial portion of funds from guaranty agencies that the Congressional Budget Office estimate of the amendment assumes the failure of many of these agencies.

The provisions approved by the committee already recapture $1 billion in guaranty agency reserve funds over the next 5 years. The recall of these funds is conducted in such a way that guaranty agencies with low reserves—Arkansas, Connecticut, Georgia, Illinois, Massachusetts, Minnesota, Nebraska, New Hampshire, Oklahoma, Texas, Vermont, Washington, and Wisconsin—will not be forced to close their doors to the students who depend upon them.

The Kennedy amendment would nearly double the savings expected from guaranty agencies—calling for an additional $960 million reduction over 5 years. Because the amendment eliminates any assurance that guaranty agencies will receive an administrative cost allowance [ACA] from section 458 funds, the reductions absorbed by guaranty agencies could well be even higher.

The guaranteed student loan program serves 80 percent of the institutions of higher education in this country and provides over 60 percent of total student loan volume. Yet, the Kennedy amendment makes no provision whatsoever for mitigating the severe disruption to student borrowers which will occur when agencies inevitably fail. If the goal is to enhance the direct loan program by crippling the guaranteed program, this amendment will be remarkably effective. However, if the goal truly is to help students, we should be working together in the appropriate forum—which is reauthorization, not reconciliation.

Moreover, I would note that the proposed reduction in the loan origination fee charged to students would not take effect until July 1998. There is no compelling reason to consider this provision outside of the current effort to reauthorize the Higher Education Act.

Before closing, I would like to take a few minutes to discuss the proposal that was approved by the Labor Committee and provide the history and context for this debate.

The budget agreement approved by the Senate reflects the strong bipartisan support for education. The agreement provides for $35 billion in education related tax provisions, and assumes increased Federal support for special education, Head Start, and funding for literacy programs. The budget agreement supports providing an additional $7.6 billion for Pell grants allowing the maximum grant to grow from $2,700 to $3,000.

In addition, the subsidy for student loans is assumed to grow from $3.9 billion in 1998 to $4.1 billion in 2002. This will support growth in Federal student loan volume from $28.8 billion in 1998 to $35.8 billion in 2002. These provisions provide an unprecedented level of support for educational opportunity for students at all levels of education.

In order to accommodate this unprecedented level of support for students, the Senate budget resolution requires $1.792 billion in savings over 5 years from mandatory spending under the jurisdiction of the Committee on Labor and Human Resources.

The savings required by the agreement and submitted by the committee will not increase costs, reduce benefits, or limit access to loans for students and their families. In accordance with the budget agreement, this proposal attempts to maintain an equitable balance in the savings that are taken from the Federal Family Education Loan Program [FFEL] and the Federal Direct Lending Program [FDLP].

The budget submission approved by the committee achieves the required savings by recalling $1.028 billion in excess guaranty agency reserves, eliminating the $10 direct loan origination fee, and reducing the Department of Education's entitlement for the administration of the Federal direct lending program by $604 million. This language preserves a very delicate balance—it achieves major savings and preserves the viability of both loan programs, so that students will not be at risk of losing access to loans. The key provisions of title VII as reported by the Committee on Labor and Human Resources include:

A. ELIMINATION OF THE DIRECT LENDING LOAN ORIGINATION PAYMENT

This proposal repeals the provision authorizing the Federal payment of $10 per loan to schools and/or alternate originators who make direct loans. This repeal will provide five-year savings of $160 million.

B. RECALL OF EXCESS GUARANTY AGENCY RESERVES

The committee proposal requires the recall of $1.028 billion in reserves and requires each guaranty agency to deposit its share of the total excess reserves into a newly created restricted account in annual payments over the next five years.

C. REDUCTIONS IN SECTION 458 EXPENDITURES

Section 458 of the Higher Education Act provides funds to the Secretary of Education for the administrative expenses associated with the direct lending program as well as the administrative cost allowance paid to guaranty agencies for administration of FFEL programs. The committee proposal reduces section 458 expenditures in conformity with the budget agreement resulting in savings of $603 million over 5 years. The Department will continue to receive over $3.3 billion in this account over the next 5 years.

In order to ensure that these reductions are not redirected from direct lending to the FFEL program and to ensure that an equitable balance in savings is maintained between the two programs, the committee included a provision that reaffirms the Department of Education's obligation to continue to pay the administrative cost allowance to the guaranty agencies. This authority is capped at $170 million in each of fiscal years 1998 and 1999 and at $150 million in fiscal years 2000, 2001, and 2002.

In summary, these provisions reflect a commitment to preserving two viable student loan programs. Second, they reflect the belief that substantive

changes in student aid policy should not be included within reconciliation but should be fully and carefully considered as part our comprehensive effort to reauthorize the Higher Education Act. Consistent with these principles, our proposal meets our budget instruction, preserves two loan programs, and retains the framework of the budget agreement. It deserves the support of the full Senate.

Finally, let me say that we are here today due to the budget agreement reached between the President and the leadership of the House and Senate. Whatever the disagreements may be about specific details, there is broad support for this agreement and its objectives. That is illustrated by the 17-to-1 vote for the Labor Committee's submission and by the similar margins of support for the proposals reported by other committees.

Certainly, the agreement is a series of compromises. Implicit in compromise is the fact that neither party got everything it wanted. In the student loan area, the core compromise was that a truce was to be declared in the battle between the Federal Family Education Loan Program—guaranteed loans—and the Federal Direct Loan Program. The approximately $1.8 billion in savings was to be equitably divided between the two programs.

The proposal reported by the committee honors that compromise: 57 percent of the savings are made in the guaranteed loan program and the remaining 43 percent come from direct lending. The amendment of the Senator from Massachusetts would destroy that balance.

When filling in the detail of a broad compromise, there is always the urge to push further toward one's preference. What the Senator is attempting to do is therefore understandable. But, we need to recognize the amendment for what it is. I urge my colleagues to join me in opposing it.

Mr. DOMENICI. I thank the Senator, the chairman of the committee on Labor, Health and Human Resources. The chairman opposes this.

Mr. President, the Kennedy amendment is a substitute to the Labor Committee's title. It violates the bipartisan agreement that we made with the President and with Democrats and Republicans. It is not germane to this bill before us. It violates the Byrd rule because it increases spending in the year 2002 and thereafter without any offsets. The Kennedy amendment reduces the student loan origination fees, and is offset by significant reductions in revenues to the lenders and guaranty agencies participating in student loan programs.

With that, I make a point of order that the Kennedy amendment is a violation of the Budget Act and the Byrd amendment.

Mr. DODD. I move to waive.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any Senators in the Chamber who desire to change their vote?

The yeas and nays resulted, yeas 43, nays 57, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—43

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Glenn	Moynihan
Boxer	Graham	Murray
Breaux	Harkin	Reed
Bryan	Hollings	Reid
Bumpers	Inouye	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Conrad	Kerry	Torricelli
Daschle	Kohl	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

NAYS—57

Abraham	Frist	Mack
Allard	Gorton	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brownback	Gregg	Roberts
Burns	Hagel	Roth
Campbell	Hatch	Santorum
Chafee	Helms	Sessions
Coats	Hutchinson	Shelby
Cochran	Hutchison	Smith (NH)
Collins	Inhofe	Smith (OR)
Coverdell	Jeffords	Snowe
Craig	Johnson	Specter
D'Amato	Kempthorne	Stevens
DeWine	Kyl	Thomas
Domenici	Landrieu	Thompson
Enzi	Lott	Thurmond
Faircloth	Lugar	Warner

The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 57. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 490

Mr. SPECTER. Mr. President, I want to address my vote on the Kennedy-Dodd amendment regarding savings to be generated from direct and guaranteed loan programs. Although, I have ardently supported efforts to increase Pell grants and improve the ability of millions of American families to afford a college education for their children, the Kennedy-Dodd amendment would have disrupted the guaranteed student loan program substantially. It would have upset the balanced approach in the budget agreement to derive savings equitably from both direct and guaranteed loan programs.

I am advised that the Kennedy-Dodd amendment would create undue hardship on student borrowers by adversely impacting guaranteed lenders, which would lose part of their loan origination fees.

I look forward to working with Chairman JEFFORDS, Senator KENNEDY, and Senator DODD as the Senate considers these issues in the context of the Higher Education Act reauthorization later in the 105th Congress.

MOTION TO WAIVE THE BUDGET ACT WITHDRAWN

Mr. DOMENICI. Mr. President, I ask that the motion of the Senator from Texas to waive the Budget Act with respect to the point of order lodged by Senator CONRAD last night be withdrawn.

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

Mr. DOMENICI. Senator CONRAD had lodged the point of order.

The PRESIDING OFFICER. The regular order is the amendment by Senator MCCAIN.

Mr. DOMENICI. We have to complete business on this. We have withdrawn the waiver.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

POINT OF ORDER

Mr. CONRAD. Mr. President, I make a point of order that section 5822 of the bill violates section 313(b)(1)(D) of the Budget Act.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DOMENICI. And the amendment falls?

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 474

Mr. DOMENICI. Mr. President, I believe the next order of business is Senator MCCAIN's amendment. That is amendment No. 474. That is McCain-Lott-Domenici.

AMENDMENT NO. 474, AS MODIFIED

Mr. DOMENICI. I ask unanimous consent that I be permitted to modify that amendment by adding just the following words: ''. . . including emergency auto service by nonprofit organizations, that . . .'' I send the modification to the desk, and I understand the minority has no objection to the modification.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment is so modified.

The amendment, as modified, is as follows:

On page 92, beginning with line 6, strike through line 24 on page 128 and insert the following:

SEC. 3001. SPECTRUM AUCTIONS.

(a) EXTENSION AND EXPANSION OF AUCTION AUTHORITY.—

(1) IN GENERAL.—Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended—

(A) by striking paragraphs (1) and (2) and inserting in lieu thereof the following:

''(1) GENERAL AUTHORITY.—If mutually exclusive applications are accepted for any initial license or construction permit that will involve an exclusive use of the electromagnetic spectrum, then, except as provided

in paragraph (2), the Commission shall grant the license or permit to a qualified applicant through a system of competitive bidding that meets the requirements of this subsection. The Commission, subject to paragraphs (2) and (7) of this subsection, also may use auctions as a means to assign spectrum when it determines that such an auction is consistent with the public interest, convenience, and necessity, and the purposes of this Act.

''(2) EXCEPTIONS.—The competitive bidding authority granted by this subsection shall not apply to a license or construction permit the Commission issues—

''(A) for public safety services, including private internal radio services used by State and local governments and non-government entities, including Emergency Auto Service by non-profit organizations, that

''(i) are used to protect the safety of life, health, or property; and

''(ii) are not made commercially available to the public;

''(B) for public telecommunications services, as defined in section 397(14) of this Act, when the license application is for channels reserved for noncommercial use;

''(C) for spectrum and associated orbits used in the provision of any communications within a global satellite system;

''(D) for initial licenses or construction permits for new digital television service given to existing terrestrial broadcast licensees to replace their current television licenses;

''(E) for terrestrial radio and television broadcasting when the Commission determines that an alternative method of resolving mutually exclusive applications serves the public interest substantially better than competitive bidding; or

''(F) for spectrum allocated for unlicensed use pursuant to part 15 of the Commission's regulations (47 C.F.R. part 15), if the competitive bidding for licenses would interfere with operation of end-user products permitted under such regulations.'';

(B) by striking ''1998'' in paragraph (11) and inserting ''2007''; and

(C) by inserting after paragraph (13) the following:

''(14) OUT-OF-BAND EFFECTS.—The Commission and the National Telecommunications and Information Administration shall seek to create incentives to minimize the effects of out-of-band emissions to promote more efficient use of the electromagnetic spectrum. The Commission and the National Telecommunications and Information Administration also shall encourage licensees to minimize the effects of interference.''

(2) CONFORMING AMENDMENT.—Subsection (i) of section 309 of the Communications Act of 1934 is repealed.

(b) AUCTION OF 45 MEGAHERTZ LOCATED AT 1,710–1,755 MEGAHERTZ.—

(1) IN GENERAL.—The Commission shall assign by competitive bidding 45 megahertz located at 1,710–1,755 megahertz no later than December 31, 2001, for commercial use.

(2) FEDERAL GOVERNMENT USERS.—Any Federal government station that, on the date of enactment of this Act, is assigned to use electromagnetic spectrum located in the 1,710–1,755 megahertz band shall retain that use until December 31, 2003, unless exempted from relocation.

(c) COMMISSION TO MAKE ADDITIONAL SPECTRUM AVAILABLE BY AUCTION.—

(1) IN GENERAL.—The Federal Communications Commission shall complete all actions necessary to permit the assignment, by September 30, 2002, by competitive bidding pursuant to section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), of licenses for the use of bands of frequencies currently allocated by the Commission that—

(A) in the aggregate span not less than 55 megahertz;

(B) are located below 3 gigahertz; and

(C) as of the date of enactment of this Act, have not been—

(i) designated by Commission regulation for assignment pursuant to section 309(j);

(ii) identified by the Secretary of Commerce pursuant to section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923); or

(iii) allocated for Federal Government use pursuant to section 305 of the Communications Act of 1934 (47 U.S.C. 305).

(2) CRITERIA FOR REASSIGNMENT.—In making available bands of frequencies for competitive bidding pursuant to paragrph (1), the Commission shall—

(A) seek to promote the most efficient use of the electromagnetic spectrum;

(B) consider the cost of incumbent licensees of relocating existing uses to other bands of frequencies or other means of communication;

(C) consider the needs of public safety radio services;

(D) comply with the requirements of international agreements concerning spectrum allocations; and

(E) coordinate with the Secretary of Commerce when there is any impact on Federal Government spectrum use.

(3) NOTIFICATION TO THE SECRETARY OF COMMERCE.—The Commission shall attempt to accommodate incumbent licenses displaced under this section by relocating them to other frequencies available to the Commission. The Commission shall notify the Secretary of Commerce whenever the Commission is not able to provide for the effective relocation of an incumbent licensee to a band of frequencies available to the Commission for assignment. The notification shall include—

(A) specific information on the incumbent licensee;

(B) the bands the Commission considered for relocation of the licensee; and

(C) the reasons the incumbent cannot be accommodated in these bands.

(4) REPORT TO THE SECRETARY OF COMMERCE.—

(A) TECHNICAL REPORT.—The Commission in consultation with the National Telecommunications and Information Administration, shall submit a detailed technical report to the Secretary of Commerce setting forth—

(i) the reasons the incumbent licensees described in paragraph (5) could not be accommodated in existing non-government spectrum; and

(ii) the Commission's recommendations for relocating those incumbents.

(B) NTIA USE OF REPORT.—The National Telecommunications and Information Administration shall review this report when assessing whether a commercial licensee can be accommodated by being reassigned to a frequency allocated for government use.

(d) INDENTIFICATION AND REALLOCATION OF FREQUENCIES.—

(1) IN GENERAL.—Section 113 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 901 et seq.) is amended by adding at the end thereof the following:

''(f) ADDITIONAL REALLOCATION REPORT.—If the Secretary receives a report from the Commission pursuant to section 3001(c)(6) of the Balanced Budget Act of 1997, the Secretary shall submit to the President, the Congress, and the Commission a report with the Secretary's recommendations.

''(g) REIMBURSEMENT OF FEDERAL SPECTRUM USERS FOR RELOCATION COSTS.—

''(1) IN GENERAL.—

''(A) ACCEPTANCE OF COMPENSATION AUTHORIZED.—In order to expedite the efficient use of the electromagnetic spectrum, and notwithstanding section 3302(b) of title 31, United States Code, any Federal entity that operates a Federal Government station that has been identified by NTIA for relocation may accept payment, including in-kind compensation and shall be reimbursed if required to relocate by the service applicant, provider, licensee, or representative entering the band as a result of a license assignment by the Commission or otherwise authorized by Commission rules.

''(B) DUTY TO COMPENSATE OUSTED FEDERAL ENTITY.—Any such service applicant, provider, licensee, or representative shall compensate the Federal entity in advance for relocating through monetary or in-kind payment for the cost of relocating the Federal entity's operations from one or more electromagnetic Spectrum frequencies to any other frequency or frequencies, or to any other telecommunications transmission media.

''(C) COMPENSABLE COSTS.—Compensation shall include, but not be limited to, the costs of any modification, replacement, or reissuance of equipment, facilities, operating manuals, regulations, or other relocation expenses incurred by that entity.

''(D) DISPOSITION OF PAYMENTS.—Payments, other than in-kind compensation, pursuant to this section shall be deposited by electronic funds transfer in a separate agency account or accounts which shall be used to pay directly the costs of relocation, to repay or make advances to appropriations or funds which do or will initially bear all or part of such costs, or to refund excess sums when necessary, and shall remain available until expended.

''(E) APPLICATION TO CERTAIN OTHER RELOCATIONS.—The provisions of this paragraph also apply to any Federal entity that operates a Federal Government station assigned to use electromagnetic spectrum identified for reallocation under subsection (a), if before the date of enactment of the Balanced Budget Act of 1997 the Commission has not identified that spectrum for service or assigned licenses or otherwise authorized service for that spectrum.

''(2) PETITIONS FOR RELOCATION.—Any person seeking to relocate a Federal Government station that has been assigned a frequency within a band allocated for mixed Federal and non-Federal use under this Act shall submit a petition for relocation to NTIA. The NTIA shall limit or terminate the Federal Government station's operating license within 6 months after receiving the petition if the following requirements are met:

''(A) The proposed relocation is consistent with obligations undertaken by the United States in international agreements and with United States national security and public safety interests.

''(B) The person seeking relocation of the Federal Government station has guaranteed to defray entirely, through payment in advance, advance in-kind payment of costs, or a combination of payment in advance and advance in-kind payment, all relocation costs incurred by the Federal entity, including, but not limited to, all engineering, equipment, site acquisition and construction, and regulatory fee costs.

''(C) The person seeking relocation completes all activities necessary for implementing the relocation, including construction of replacement facilities (if necessary and appropriate) and identifying and obtaining on the Federal entity's behalf new frequencies for use by the relocated Federal Government station (if the station is not relocating to spectrum reserved exclusively for Federal use).

''(D) Any necessary replacement facilities, equipment modifications, or other changes

have been implemented and tested by the Federal entity to ensure that the Federal Government station is able to accomplish successfully its purposes including maintaining communication system performance.

''(E) The Secretary has determined that the proposed use of any spectrum frequency band to which a Federal entity relocates its operations is suitable for the technical characteristics of the band and consistent with other uses of the band. In exercising authority under this subparagraph, the Secretary shall consult with the Secretary of Defense, the Secretary of State, and other appropriate Federal officials.

''(3) RIGHT TO RECLAIM.—If within one year after the relocation of a Federal Government station, the Federal entity affected demonstrates to the Secretary and the Commission that the new facilities or spectrum are not comparable to the facilities or spectrum from which the Federal Government station was relocated, the person who sought the relocation shall take reasonable steps to remedy any defects or pay the Federal entity for the costs of returning the Federal Government station to the electromagnetic spectrum from which the station was relocated.

''(h) FEDERAL ACTION TO EXPEDITE SPECTRUM TRANSFER.—Any Federal Government station which operates on electromagnetic spectrum that has been identified for reallocation under this Act for mixed Federal and non-Federal use in any reallocation report under subsection (a), to the maximum extent practicable through the use of subsection (g) and any other applicable law, shall take prompt action to make electromagnetic spectrum available for use in a manner that maximizes efficient use of the electromagnetic spectrum.

''(i) FEDERAL SPECTRUM ASSIGNMENT RESPONSIBILITY.—This section does not modify NTIA's authority under section 103(b)(2)(A) of this Act.

''(j) DEFINITIONS.—As used in this section—

''(1) The term 'Federal entity' means any department, agency, or instrumentality of the Federal Government that utilizes a Government station license obtained under section 305 of the 1934 Act (47 U.S.C. 305);

''(2) the term 'digital television services' means television services provided using digital technology to enhance audio quality and video resolution, as further defined in the Memorandum Opinion, Report, and Order of the Commission entitled 'Advanced Television Systems and Their Impact Upon the Existing Television Service,' MM Docket No. 87–268 and any subsequent FCC proceedings dealing with digital television; and

''(3) the term 'analog television licenses' means licenses issued pursuant to 47 CFR 73.682 et seq.''.

(2) Section 114(a) of that Act (47 U.S.C. 924(a)) is amended by striking ''(a) or (d)(1)'' and inserting ''(a), (d)(1), or (f)''.

(e) IDENTIFICATION AND REALLOCATION OF AUCTIONABLE FREQUENCIES.—

(1) SECOND REPORT REQUIRED.—Section 113(a) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(a)) is amended by inserting ''and within 6 months after the date of enactment of the Balanced Budget Act of 1997'' after ''Act of 1993''.

(2) IN GENERAL.—Section 113(b) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(b)) is amended—

(A) by striking the caption of paragraph (1) and inserting ''INITIAL REALLOCATION REPORT.—'';

(B) by inserting ''in the initial report required by subsection (a)'' after ''recommend for reallocation'' in paragraph (1);

(C) by inserting ''or (3)'' after ''paragraph (1)'' each place it appears in paragraph (2); and

(D) by adding at the end thereof the following:

''(3) SECOND REALLOCATION REPORT.—The Secretary shall make available for reallocation a total of 20 megahertz in the second report required by subsection (a), for use other than by Federal Government stations under section 305 of the 1934 Act (47 U.S.C. 305), that is located below 3 gigahertz and that meets the criteria specified in paragraphs (1) through (5) of subsection (a).''.

(3) ALLOCATION AND ASSIGNMENT.—Section 115 of that Act (47 U.S.C. 925) is amended—

(A) by striking ''the report required by section 113(a)''; in subsection (b) and inserting ''the initial reallocation report required by section 113(a)''; and

(B) by adding at the end thereof the following:

''(c) ALLOCATION AND ASSIGNMENT OF FREQUENCIES IDENTIFIED IN THE SECOND ALLOCATION REPORT.—

''(1) PLAN.—Within 12 months after it receives a report from the Secretary under section 113(f) of this Act, the Commission shall—

''(A) submit a plan, prepared in coordination with the Secretary of Commerce, to the President and to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Commerce, for the allocation and assignment under the 1934 Act of frequencies identified in the report; and

''(B) implement the plan.

''(2) CONTENTS.—The plan prepared by the Commission under paragraph (1) shall consist of a schedule of reallocation and assignment of those frequencies in accordance with section 309(j) of the 1934 Act in time for the assignment of those licenses or permits by September 30, 2002.''.

SEC. 3002. DIGITAL TELEVISION SERVICES.

Section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)) is amended by adding at the end thereof the following:

''(15) AUCTION OF RECAPTURED BROADCAST TELEVISION SPECTRUM AND POTENTIAL DIGITAL TELEVISION LICENSE FEES.—

''(A) LIMITATIONS ON TERMS OF TERRESTRIAL TELEVISION BROADCAST LICENSES.—

''(i) A television license that authorizes analog television services may not be renewed to authorize such services for a period that extends beyond December 31, 2006. The Commission shall extend or waive this date for any station in any television market unless 95 percent of the television households have access to digital local television signals, either by direct off-air reception or by other means.

''(ii) A commercial digital television license that is issued shall expire on September 30, 2003. A commercial digital television license shall be re-issued only subject to fulfillment of the licensee's obligations under subparagraph (C).

''(iii) No later than December 31, 2001, and every 2 years thereafter, the Commission shall report to Congress on the status of digital television conversion in each television market. In preparing this report, the Commission shall consult with other departments and agencies of the Federal government. The report shall contain the following information:

''(I) Actual consumer purchases of analog and digital television receivers, including the price, availability, and use of conversion equipment to allow analog sets to receive a digital signal.

''(II) The percentage of television households in each market that has access to digital local television signals as defined in paragraph (a)(1), whether such access is attained by direct off-air reception or by some other means.

''(III) The cost to consumers of purchasing digital television receivers (or conversion equipment to prevent obsolescence of existing analog equipment) and other related changes in the marketplace, such as increases in the cost of cable converter boxes.

''(B) SPECTRUM REVERSION AND RESALE.—

''(i) The Commission shall—

''(I) ensure that, as analog television licenses expire pursuant to subparagraph (A)(i), each broadcaster shall return electromagnetic spectrum according to the Commission's direction; and

''(II) reclaim and organize the electromagnetic spectrum in a manner to maximize the deployment of new and existing services.

''(ii) Licensees for new services occupying electromagnetic spectrum previously used for the broadcast of analog television shall be selected by competitive bidding. The Commission shall start the competitive bidding process by July 1, 2001, with payment pursuant to the competitive bidding rules established by the Commission. The Commission shall report the total revenues from the competitive bidding by January 1, 2002.

''(D) DEFINITIONS.—As used in this paragraph—

''(i) the term 'digital television services' means television services provided using digital technology to enhance audio quality and video resolution, as further defined in the Memorandum Opinion, Report, and Order of the Commission entitled 'Advanced Television Systems and Their Impact Upon the Existing Television Service,' MM Docket No. 87–268 and any subsequent Commission proceedings dealing with digital television; and

''(ii) the term 'analog television licenses' means licenses issued pursuant to 47 CFR 73.682 et seq. .''.

SEC. 3003. ALLOCATION AND ASSIGNMENT OF NEW PUBLIC SAFETY AND COMMERCIAL LICENSES.

(a) IN GENERAL.—The Federal Communications Commission, not later than January 1, 1998, shall allocate from electromagnetic spectrum between 746 megahertz and 806 megahertz—

(1) 24 megahertz of that spectrum for public safety services according to terms and conditions established by the Commission, in consultation with the Secretary of Commerce and the Attorney General; and

(2) 36 megahertz of that spectrum for commercial purposes to be assigned by competitive bidding.

(b) ASSIGNMENT.—The Commission shall—

(1) commence assignment of the licenses for public safety created pursuant to subsection (a) no later than September 30, 1998; and

(2) commence competitive bidding for the commercial licenses created pursuant to subsection (a) no later than March 31, 1998.

(c) LICENSING OF UNUSED FREQUENCIES FOR PUBLIC SAFETY RADIO SERVICES.—

(1) USE OF UNUSED CHANNELS FOR PUBLIC SAFETY.—It shall be the policy of the Federal Communications Commission, notwithstanding any other provision of this Act or any other law, to waive whatever licensee eligibility and other requirements (including bidding requirements) are applicable in order to permit the use of unassigned frequencies for public safety purposes by a State or local government agency upon a showing that—

(A) no other existing satisfactory public safety channel is immediately available to satisfy the requested use;

(B) the proposed use is technically feasible without causing harmful interference to existing stations in the frequency band entitled to protection from such interference under the rules of the Commission; and

(C) use of the channel for public safety purposes is consistent with other existing public safety channel allocations in the geographic area of proposed use.

(2) APPLICABILITY.—Paragraph (1) shall apply to any application—

(A) is pending before the Commission on the date of enactment of this Act;

(B) was not finally determined under section 402 or 405 of the Communications Act of 1934 (47 U.S.C. 402 or 405) on May 15, 1997; or

(C) is filed after May 15, 1997.

(D) PROTECTION OF BROADCAST TV LICENSEES DURING DIGITAL TRANSITION.—Public safety and commercial licenses granted pursuant to this subsection—

(1) shall enjoy flexibility in use, subject to—

(A) interference limits set by the Commission at the boundaries of the electromagnetic spectrum block and service area; and

(B) any additional technical restrictions imposed by the Commission to protect full-service analog and digital television licenses during a transition to digital television;

(2) may aggregate multiple licenses to create larger spectrum blocks and service areas;

(3) may disaggregate or partition licenses to create smaller spectrum blocks or service areas; and

(4) may transfer a license to any other person qualified to be a licensee.

(e) PROTECTION OF PUBLIC SAFETY LICENSEES DURING DIGITAL TRANSITION.—The Commission shall establish rules insuring that public safety licensees using spectrum reallocated pursuant to subsection (a)(1) shall not be subject to harmful interference from television broadcast licensees.

(f) DIGITAL TELEVISION ALLOTMENT.—In assigning temporary transitional digital licenses, the Commission shall—

(1) minimize the number of allotments between 746 and 806 megahertz and maximize the amount of spectrum available for public safety and new services;

(2) minimize the number of allotments between 698 and 746 megahertz in order to facilitate the recovery of spectrum at the end of the transition;

(3) consider minimizing the number of allotments between 54 and 72 megahertz to facilitate the recovery of spectrum at the end of the transition; and

(4) develop an allotment plan designed to recover 78 megahertz of spectrum to be assigned by competitive bidding, in addition to the 60 megahertz identified in paragraph (a) of this subsection.

(g) INCUMBENT BROADCAST LICENSEES.—Any person who holds an analog television license or a digital television license between 746 and 806 megahertz—

(1) may not operate at that frequency after the date on which the digital television services transition period terminates, as determined by the Commission; and

(2) shall surrender immediately the license or permit to construct pursuant to Commission rules.

(h) DEFINITIONS.—For purposes of this section—

(1) COMMISSION.—The term ''Commission'' means the Federal Communications Commission.

(2) DIGITAL TELEVISION (DTV) SERVICE.—The term ''digital television (DTV) service'' means terrestrial broadcast services provided using digital technology to enhance audio quality and video resolution, as further defined in the Memorandum Opinion, Report, and Order of the Commission entitled ''Advanced Television Systems and Their Impact Upon the Existing Television Service,'' MM Docket No. 87–268, or subsequent findings of the Commission.

(3) DIGITAL TELEVISION LICENSE.—The term ''digital television license'' means a full-service license issued pursuant to rules adopted for digital television service.

(4) ANALOG TELEVISION LICENSE.—The term ''analog television license'' means a full-service license issued pursuant to 47 CFR 73.682 et seq.

(5) PUBLIC SAFETY SERVICES.—The term ''public safety services'' means services whose sole or principal purpose is to protect the safety of life, health, or property.

(6) SERVICE AREA.—The term ''service area'' means the geographic area over which a licensee may provide service and is protected from interference.

(7) SPECTRUM BLOCK.—The term ''spectrum block'' means the range of frequencies over which the apparatus licensed by the Commission is authorized to transmit signals.

SEC. 3004. FLEXIBLE USE OF ELECTROMAGNETIC SPECTRUM.

Section 303 of the Communications Act of 1934 (47 U.S.C. 303) is amended by adding at the end thereof the following:

''(y) Shall allocate electromagnetic spectrum so as to provide flexibility of use, except—

''(1) as required by international agreements relating to global satellite systems or other telecommunication services to which the United States is a party;

''(2) as required by public safety allocations;

''(3) to the extent that the Commission finds, after notice and an opportunity for public comment, that such an allocation would not be in the public interest;

''(4) to the extent that flexible use would retard investment in communications services and systems, or technology development thereby lessening the value of the electromagnetic spectrum; or

''(5) to the extent that flexible use would result in harmful interference among users.''.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, this amendment is acceptable to the other side. It is the best we can do to try to achieve spectrum consistency with the Budget Act, and even with this amendment, we are somewhat short.

Senator MCCAIN does not insist on speaking. If he does, we yield to him right now.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BYRD. Mr. President, what does the amendment do?

Mr. DOMENICI. Mr. President, this substitute amendment for title III offered by Senator MCCAIN, Senator LOTT, and myself, will help the committee get $4 billion closer toward its instruction on spectrum fees, and it does this without any fees. It has been approved by the Commerce Committee on both sides, Democrat and Republican, and there is no objection from the minority side with reference to this amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 474, as modified.

The amendment (No. 474), as modified, was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Can I ask the minority, there is a D'Amato amendment we are asking if you can clear. We are getting close to the end here.

Mr. LAUTENBERG. We will accept that.

AMENDMENT NO. 502

Mr. DOMENICI. I ask the D'Amato amendment No. 502, Medicare antiduplication provisions, be called up. We have agreed with the minority and they with us that this is acceptable.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 502) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, according to our records, we have four amendments, but they are all waiting to see what the managers' amendment includes in it. If it includes the proper subject matter, then there will not be a presentation of those four amendments. So I think the managers are working on that, and maybe we need a little bit of time while they finish it, and the four Senators can look at it to see if it takes care of their concerns.

The PRESIDING OFFICER. The regular order is the Kennedy amendment No. 492.

Mr. DOMENICI. Yes, that is correct.

Senator KENNEDY desires to withhold his amendment to see what the managers' amendment does; is that correct?

Mr. LAUTENBERG. Yes.

Mr. DOMENICI. Senator KERRY's amendment No. 496. I gather that you want to wait.

Mr. LAUTENBERG. Senator KERRY wants to wait and see what the managers' amendment does.

Mr. DOMENICI. And Senator ROCKEFELLER's amendment No. 503, we believe the same holds, and Senator KENNEDY's amendment regarding part B.

Might I discuss a few matters with the ranking minority member? I believe when we finish this, we will be finished with amendments. The only thing I can imagine left would be points of order to be lodged by anyone. We have none on our side.

Mr. LAUTENBERG. Mr. President, we have five in total that we will be happy to show the majority. I think Senator MURRAY has a point of order, and then we have the four remaining.

Mr. DOMENICI. I wonder if the time would be best spent if you let us see those. Maybe we can dispose of those and maybe agree we not have any votes, depending on what they are.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 506

Mr. DOMENICI. I understand that the chairman of the Finance Committee is ready with the managers' amendment, and I yield the floor. The amendment is numbered 506.

The PRESIDING OFFICER. The Senator from Delaware.

MODIFICATION TO AMENDMENT NO. 506

Mr. ROTH. Mr. President, I ask unanimous consent that amendment No. 506, the managers' amendment, be called up, and I send a modification to the desk.

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

Under a previous order, the Senator has a right to modify his amendment, and the amendment is so modified.

The modification follows:

At the end of the amendment, add the following:

On page 774, strike lines 13 through 15, and insert the following:

''(A) for fiscal year 1999, 92 percent;

''(B) for fiscal year 2000, 85 percent; and

''(C) for fiscal years 2001 and 2002, 80 percent.

On page 775, strike lines 21 through 25 and insert the following:

''(C) STATES WITH STATE 1995 DSH SPENDING AMOUNTS ABOVE 3 PERCENT.—In the case of any State with a State 1995 DSH spending amount that is more than 3 percent of the Federal medical

On page 779, line 10, strike ''2000'' and insert ''2001''.

On page 779, line 11, strike ''2001'' and insert ''2002''.

On page 779, line 10, strike ''2002'' and insert ''2003 and thereafter''.

Mr. ROTH. Mr. President, the managers' amendment with the modification has been approved on both sides of the aisle. I urge its adoption.

Mr. BYRD. Mr. President, could someone explain what is in the managers' amendment?

Mr. ROTH. Yes, I am happy to explain to my distinguished friend from West Virginia. It includes two Medicare hospital-related provisions. The first is a modification to the Medicare PPS, exempt hospital payments, and the second is a hospital wage index classification.

The second makes three additions to the Medicaid provisions. These include a Grassley amendment that was adopted in committee on the effect of managed care on individuals with special needs, a clarification on the definition of provider taxes, and continuation of certain 1115 waivers. There are four provisions on welfare, clarification of the language on SSI, and Medicaid benefits of certain Indians. It makes a conforming amendment on work activities, and it confirms the maintenance-of-effort requirement to the existing welfare block grant. It also requires that half of the payments for job placement be provided after an individual has been placed in the work force for at least 6 months.

Finally, the modification to the managers' amendment also modifies the formula for achieving savings in the Disproportionate Share Hospital Program. The amendment provides a smoother transition for the States and delays the restrictions on payment to mental health facilities.

As I said, Mr. President, all these amendments have been cleared by both sides of the aisle. I urge their adoption.

Mr. MOYNIHAN. Mr. President, may I simply affirm the statement of the distinguished chairman. These are agreed to on both sides of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment as modified?

Mr. BYRD. Mr. President, I am not on the Budget Committee, I am not on the Finance Committee, but I do have a right to have a little knowledge of what we are voting on. By my not being a member of those committees—it might very well be stated as to what we are voting on—I may yet not understand it, but there are Senators in this body who can understand. It seems to me we are going a little fast.

Is this amendment divisible?

The PRESIDING OFFICER. In the opinion of the Chair, the amendment would be divisible.

Mr. BYRD. How many divisions would there be?

The PRESIDING OFFICER. There would be numerous divisions because the amendment hits the bill in a number of diverse places. We are attempting to assert the exact number.

The Senator from West Virginia is recognized.

Mr. BYRD. I yield to the distinguished Senator.

Mr. DOMENICI. Might I say to the distinguished Senator from West Virginia, I think you have been in this position and the position of this chairman many, many times. I do not know whether we ever have a chance to be in exactly this position when we have a reconciliation bill like this.

I might say, I think this amendment fits together a lot of concerns and fulfills a lot of concerns about the bill by many, many Senators. I hope the Senator would not ask for its division, but rather ask us to spend more time discussing it, which I believe, even though the consent agreement says a minute on a side, I think you might be clearly within your rights to say: This is a managers' amendment. Could we have some additional time? Certainly I would not object.

I objected one time in my life to giving the distinguished Senator from West Virginia additional time when time had run out, and I vividly remembered that for at least 5 years. It seemed like every time you looked at me it was reminding me that I had jumped up and objected to your getting time, additional time. I have never done that again, so I would not do it now.

I just wonder if that makes any sense to my friend from West Virginia.

Mr. BYRD. Mr. President, let me attempt to respond to the distinguished Senator.

I have a sense of what my responsibility is. I do not know what is in the managers' amendment. I have understood, in listening here, that there are various Senators who have amendments which are qualified and which are listed that they will call up unless the managers' amendment is satisfactory to them in respect to their several amendments.

Now, if each amendment is called up, we at least get 2 minutes for an explanation. We get no explanation here of what is in this managers' amendment. It is not my desire to hold up action on this measure. It is somewhat embarrassing to me to have to stand and admit that I don't know what is in this amendment. I have voted on amendments today that I had very, very slender knowledge as to what I was voting on.

I am not blaming anyone for this. I am not saying this to be critical of anyone. But I am concerned that here we are, before the American people, and it should be obvious to anyone who is viewing these actions that we are taking that many of us do not know what we are doing, what we are voting on, and these are very complex amendments. This is a very complex bill.

We are at a great disadvantage because we have only 20 hours on a reconciliation measure. I tried last year to get 50 hours on a reconciliation bill, and I believe I got a majority of votes, but I believe I lost because it ran afoul of the Byrd rule. Therefore, it required 60 votes. Thank heavens for the Byrd rule.

But, Mr. President, I do have a duty to my own conscience, if to no one else, and I am pretty sure I have a great duty to my constituents, to try to find out what's in the amendment we are about to vote on. In doing so, I am holding up the measure, I am delaying action on this measure. I am very well aware of it.

I know the burdens that are upon the leadership, the joint leadership. I know the burdens that are on the managers of this bill. I, at least, have some idea. They have done well. They have had heavy burdens. They have spent hours, they have spent hours when I was at home with my wife, Lady Byrd, and my little dog, Billy Byrd. But they have spent hours. I saw them working here last night. I cannot understand a great deal in watching that tube as to what is at issue here.

So I am considering asking for a division here. I think we have to shock this Senate one way or another into a realization that we have to change the rules with regard to reconciliation so that Members will have more time

than we have. Here we are, we have run out of time, yet Senators have amendments that they want votes on. It is by unanimous consent that we have 2 minutes of explanation between each amendment. That is no way to operate.

I cannot help it, Mr. DOMENICI cannot help it, Mr. LAUTENBERG cannot help it, the two leaders can't help it. That's the rule, 20 hours.

There are Senators who insist on having votes on their amendments, and I think they have a right to have votes on their amendment. We are constrained by a rule here that just does not make sense. It may have made sense at one time. It does not anymore. We are living at a different time when we are under severe budget constraints and when the administration and the leadership enter into some kind of agreement of which I am not a part and about which I know little, other than what I read in the newspaper.

So I have taken the floor here today to call attention to this very sad situation in which we are expected to vote on something without knowing what we are voting on. As I say, we are caught on the horns of the dilemma, and I do not feel right within myself about raising these points of concern.

Now, the distinguished manager of the measure has suggested that we have an explanation of the amendments. That is all I am seeking in this instance. But I think we ought to get our collective heads together and try to work out some change in the rules whereby we will not be caught in this kind of situation.

The American people would be ashamed of us. I think they would be very disappointed, and disappointed in me, too. They sent me up here to represent the people of West Virginia, and I don't know what I am voting on here. Who can blame me? My staff can't find out overnight. This morning when I came in, some of my staff stayed late into the evening hours. When I came in this morning, they didn't have the amendments available. They hadn't been printed. We just can't operate wisely and with any kind of solid judgment in that fashion.

So I won't take more of the Senate's time now. But I do raise the specter of asking for a division, and a request for a division under the rules means that we vote on every divisible provision in that measure. And if I understood the Chair in response to my parliamentary inquiry, there must be scores of provisions which would be subject to division.

I am not going to put the Senate through that today, but I warn the Senate that we had better do something about this because, otherwise, some Senator is going to feel conscience-stricken enough one day to stand up and use the rules, and there are some Senators who know something about the rules. So I raise that question here just to put Senators on notice that one Senator—one Senator—can cause all Senators to sit back and realize what we are doing and the way we are doing it is not good, not good for the Senate, not good for the American people.

Mr. DOMENICI. Will the Senator yield?

Mr. BYRD. Yes, I will be happy to yield.

Mr. DOMENICI. Mr. President, I could not agree with the Senator more. But I think we have followed the rules—the general rules of the Budget Act, plus the Byrd rule interpretations—as best we can. I think everyone should know that one of the problems on any reconciliation bill is that when the time has run, people can still offer amendments. That is written right into the statute. It says that when the time has run, you can send amendments to the desk, and I assume one could stay forever—I don't mean literally—and they shall be voted on then and there. I believe it says there is no time on the amendment. We have gone from allowing 1 minute to 2 minutes to 3 minutes per amendment. We decided we would allow Senators to offer their amendments last night, thinking they would stay and offer them. We got caught in a trap because Senators started walking up to me and Senator LAUTENBERG and giving us their amendments and asking us, as managers, to introduce them for them. I guess I could have said no, and the literal interpretation would have been that if you are not going to be around here, you are not going to offer them.

That was the genesis of what happened this morning. We put them all in order and tried to encapsulate them so you could understand them, and there were 64 of them, plus a couple of points of order. So we have done the best we could. As a matter of fact, I am very grateful. I would guess that more than 30 amendments were withdrawn—maybe 35. Others were clearly very simple amendments, and maybe in adopting them we should have used a little more words of explanation than we did. If that is the case, as to any Senator or anybody listening, we will just try to do better. But that situation is the law.

Now, the law is, as you say it also. You can still divide those amendments and have that minute on every one, I assume. You know the rules better than I. I have learned them a little bit now. But I believe, from this point on, we only have a few left. We would be very glad on this one—I asked the chairman, and he would be glad to explain it now as much as you would like and answer any questions. I understand we would only have a few more, and three or four points of order, and, finally, this ordeal will be behind us. Again, you have reminded us of our responsibility. I thank the Senator for that.

Mr. BYRD. Mr. President, I don't need to remind the distinguished Senator from New Mexico of his responsibility or any other Senator of his or her responsibility. As I said earlier, I am not complaining about anyone. I sympathize and empathize with the managers of the measure. They have done the best they could. You can't do any better. We have all been caught in this situation. It is not to our liking. But the distinguished manager, the chairman of the Finance Committee, sought to explain to me a minute ago, in 2 minutes, what was in this managers' packet. I didn't know anything, and when he completed, I didn't know any more than when he started. As a matter of fact, I was probably more confused. I think we would have had a little better explanation if we had a division and had each amendment explained.

Mr. LAUTENBERG. If the Senator will yield, I would like to make a comment. When Senator BYRD makes a statement, talks about a rule, talks about the process, I think it is kind of like the investment banker's advertising slogan that ''when they talk, everybody listens.'' When Senator BYRD speaks here, everybody listens, and much of the country at the same time, because of the experience and knowledge that he brings to this body and the concern that he has for being forthright with our constituents.

I would just like to say this to the Senator. There was a degree of diligence—excessive haste, I agree. I will say one thing. I think that we appropriately learned a lesson about the process of stacking votes. I even suggested to the distinguished Senator from West Virginia that perhaps another Byrd rule could be put into place. I don't have the courage to offer it in my own name. But another Byrd rule might say that no more than 5 amendments, or 4 or 5 votes, or something like that, could be stacked at any time so that we would not get ourselves into this mad dash not to deceive and not to obscure, but rather to accommodate this very complicated process.

As the Senator from West Virginia knows, the Senator from New Mexico and I spent roughly 2 months, almost every day, reviewing and negotiating the points in the budget agreement. We tried—I speak for myself, and I am sure the same situation occurred on the Republican side of the aisle—to keep our members on the committee informed because, as the distinguished former chairman of the Appropriations Committee knows, it is very hard to conduct an honest negotiation and debate when there are 20 people in the room. So what we tried to do is consolidate a consensus view and do it that way. So we met with the committee members and then we met with the members of the Democratic Caucus, because there were questions that arose.

So I have to say this to the distinguished Senator. In my 15 years here, I honestly don't think that there has been a tighter review of matters related to the budget resolution than I have seen, because I have been on the Budget Committee almost all of the time that I have been here. We kept learning

each year. I found the chairman of the Budget Committee, the Senator from New Mexico, good to work with. We had lots of different views, but the one thing that we didn't differ on is that the other person had a right to respect, a right to offer their opinion, and we did it that way. It got tedious at times, especially when one could not listen to one's self. On the other hand, we did gain, seriously, a lot of knowledge during that period.

I would say this. As I look around the room, we have experts in specific areas. If you want to talk about health, you know you would be talking quickly to the Senator from Massachusetts, and others on different matters of concern. And these matters were reviewed, not perhaps as thoroughly as we would have liked because we were committed to a time constraint overall. But, last night, I was here with the distinguished chairman of the Finance Committee until past 10 o'clock—about 10:30—and we were hung up on a single amendment, reviewing it and trying to get into a position that we felt would satisfy our respective constituencies in the Senate, and back home, and across the country, as well. So the effort was put in.

I think there is a mistake in the process, or a fault in the process, that needs to be corrected. I thank the Senator for raising the issue because, in these last hours, I have heard complaints from other Members of the Senate, as well, about this being too quick, too rushed. But we had a commitment. This is an unusual budget, a budget committed to a goal of zero deficit in 5 years. A lot was packed into it. The negotiations included members of the administration. It has been a very complicated, very tedious process, but no one, in my view shirked their responsibility.

I hope that, from this point forward, we will remember another Byrd lesson. I remember many of them. Despite my white hair, I feel like I am going to ''professor'' BYRD's class when I do attend appropriations meetings or other meetings. I would say this, ''professor'': I don't know what kind of a report card I have gotten, but I hope that it is better than a failing one and that you will say, OK, go forward and learn from this and next time I want to see a better performance. Thank you very much.

Mr. BYRD. Mr. President, I don't propose to have the answer to this problem. But it just seems to me that we are always caught up against a holiday, where we have a break the next week. And here we have this bill, and we will have the tax portion of the reconciliation process that will follow after that. And we are asked to cut a little of the time off here, cut a little off there. It would seem to me that if we could get started on these measures earlier, we would not be faced with a situation in which the managers have to stay here far into the evening hours, while other Senators go home. It seems to me that if we had been able to get to this measure earlier, we could have had more time. But here we are, and it seems to work out this way upon every occasion, where we are backed up to a wall of some kind, where there is the attempt to cut 20 hours down to 15, 12, or 10, or an attempt to cut 50 down to 40 on the budget resolution. We always get the question, ''Would you be willing to cut some time off of the 40 hours, cut it down to 30?'' ''Would you be willing to go home and come back Monday and say that 15 of the hours, or 10 hours, or 20 hours have been consumed?'' So I suppose these situations could be avoided.

Let me get down to the point. Would someone explain what is in this amendment? As I explained, four or five Senators had amendments that they wanted to call up, but they were waiting to see what was in the managers' amendment. Those amendments must have been pretty important; otherwise, if they weren't in the managers' amendment, there would be a vote on each, some kind of vote, a vote by voice, a vote by division, or a vote by rollcall. There would be a vote and an explanation. Perhaps if we knew what was in those four or five major amendments, that would help.

Mr. REID. Will my friend yield?

Mr. BYRD. Yes.

Mr. REID. I say this to my friend from West Virginia and to the two managers of the bill. Speaking from my perspective only, I think that the explanations that have been given in 1 minute have been quite good. I am glad that the Senator from West Virginia asked for that, because I felt pretty comfortable voting on each amendment. I say this to my friend from West Virginia. If we look down the road to making this process better, we are not going to improve it by adding hours; we are going to improve it by making sure that amendments are offered before we finish the debate. If we have 50 hours, people are still going to offer all of these amendments at the end, if you have a loophole like this. I look forward to improving the system, but that we do it in whatever hours we have, and amendments should be offered during that time.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. BYRD. Yes.

Mr. BUMPERS. Mr. President, we are all speaking here at the indulgence of the managers of the bill because there is no time left on this bill. I will not delay it for long.

First, I want to say that I have never been as happy with my decision not to seek reelection as I have been today. I have been voting on amendments that involve billions of dollars today with only a superficial or cursory knowledge of what I was voting on. I would not like to go home—and I don't speak for the rest of you but I expect I am speaking for the rest of you, too—I would hate to have to go home and explain to people what was involved in all of these amendments, particularly this one which I do not have a clue about.

But we must not lose sight of the point that the distinguished Senator from West Virginia made in the opening part of his statement a moment ago. That is, it is the rule that is the tyrant here with 20 hours to debate this part of the reconciliation bill and 20 hours to debate the tax portion of it, which is monumental and most probably will be the most significant important legislation we will deal with all year—20 hours. We will wind up at the end of that 20 hours precisely the way we have with this one. There will be a long list of amendments down there. Maybe we will have another unanimous-consent agreement where you are allowed 60 seconds to explain a bill that involves $10 billion.

We are not doing the people of this Nation a service as long as we allow this kind of a rule to put us in this kind of a straitjacket where we have to get up and openly confess that this system is not working as it ought to.

So, I applaud the Senator from West Virginia for his comments. He is right on target. Fifty hours ought to be a minimum for the consideration of a reconciliation bill.

I thank the Senator for making everybody aware of our shortcomings on this day.

Mr. BYRD. I thank the Senator.

Mr. President, I do not want to hold the floor longer. I apologize to the managers of the measure for imposing on them.

Is there some way that the distinguished Senator from New Mexico or the distinguished Senator from New Jersey can enlighten Senators as to what is in this managers' amendment—particularly, if I may say, with reference to the four or five amendments that have qualified and were being held back to see if the managers' amendment took care of those amendments?

As I understood it, Mr. KENNEDY had one amendment.

Mr. DOMENICI. On those four amendments we will try, if the chairman of the Finance Committee will explain, we will try to ask the Senators the relationship. It is not obvious on two of them that they are related at all, from what I could see. I think they were just trying to see how these major health matters are going to get clarified here, which is not in this amendment. I don't believe they are even in this amendment. So we will find that out, and before we vote, we will try to have an explanation.

Mr. BYRD. All right.

Mr. DOMENICI. Would the chairman like to explain in the best way possible what is in the amendment?

Is that what we would like to do next?

Mr. BYRD. That is what I would like.

May I say to the distinguished leader that he is frustrated with this process also. He said to me earlier today that we have to find some better way.

I do not want to be a part of a problem. I am hoping we can at least get some response from those who understand what is in the amendment so

that the rest of us will at least go home feeling we did our best in understanding it and that we at least made it clear that something is wrong with the way the process is working.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to yield all of the time to the chairman of the Finance Committee. But I do want to make one statement.

My friend from Arkansas said, I guess, that today made him happy that he would soon stop being a Senator.

Let me make sure, if there are only six people listening on television, that this Senator would like to say that it makes me very proud what we are doing here. I am very proud of this bill. I am very proud of the balanced budget. I am very proud of how we got here and what we are doing here.

Frankly, if things keep going as well as this, I may break all longevity and stay here for a lot longer.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, if I may say so, I am encouraged very greatly by the news that the Senator from New Mexico will stay as long as possible, as does our distinguished friend and leader from West Virginia.

I say to my good friend from West Virginia, as he well knows, in every major piece of legislation there are a lot of technicalities and complexities involved in the legislation. In the efforts to draft them and put them in final shape, it becomes necessary to have a number of technical modifications at the end.

I would also say that in developing this legislation, it has been my intention to work with everyone, both in committee and on the floor. We have tried to include everybody—Republican, Democrats, senior Members, and junior Members.

So I think the process has been all-inclusive. Basically, what we have here in the so-called managers' amendment is sort of a cleanup of a number of matters that had to be modified to make them technically correct to take care in some cases of some of the concerns of individual Members. Each of these have been reviewed very carefully by the technicians who understand it.

I think part of the problem is that these are very complex matters that aren't easy to explain or even to understand. But let me point out, for example, that in the managers' amendment, the first section that deals with what is known as ''PPS-exempt'' hospital changes, it deals with technical changes as to how they are reimbursed.

For example, the first says strike the update formula and substitute with a zero; update for fiscal years 1998, 2001, and market basket, minus 3 percent in 2002.

In trying to reach the $115 billion savings that we are supposed to make in Medicare, we reduce payments to the providers. Normally the reimbursement each year reflects the cost-of-living or inflation. But in this particular case, in order to make savings and because the hospitals are doing reasonably well, we are reducing the reimbursement.

It is that kind of technical change that much of this deals with.

In another situation, we are—again in efforts to save money—reducing what is known as disproportion payment and we have based the recommendations on what an independent commission has recommended, and I might say that is what the administration has recommended as well. These, again, are all basically very technical.

But going back to the reduction of the disproportion, because both Democrat and Republican Members were concerned about reducing as much as was recommended by this independent board, we have slowed that phase-in a little bit to make it easier for those organizations to adjust.

So essentially I would say it is this kind of technical change that we are trying to deal with here rather than major policy.

I assure you that we have dealt with both managers—the Republican manager, the Democrat, and, of course, I might say that we have been working very closely with my good friend and colleague, PAT MOYNIHAN.

Mr. MOYNIHAN. You most assuredly have, sir.

Mr. ROTH. So I don't have any disagreement with our distinguished friend and leader as to the whole process, but we have in good faith tried to deal with the process and meet the time schedules that everybody has wanted us to achieve.

I could go on and read all of these, if you like, sir. But I will say they are highly technical.

The first one, I might point out, included two Medicare hospital-related provisions. As I said, the first is a modification as to how we reimburse what are called Medicare PPS-exempt hospitals. A PPS hospital is paid on a prospective payment basis. That was a means that was adopted many years ago to try to gain better control of expenditures than you have when you have cost reimbursements. The hospital knows that for a certain kind of function, they will be able to receive so much money—say, $1,000. And they know they have to live within that. So they have an incentive to try to keep those costs down. But now we are cutting because we have to make greater savings. The hospitals, according to our independent panel, are doing relatively well, and we are trying to cut it more.

The second is a hospital wage index classification and reimbursement. We deal or address the wage index, and a highly technical modification takes place there.

So, as I say, they are this kind of technical change basically in an effort to make legislative language accurate and achieve the goals that were intended by the policy.

Mr. BYRD. Mr. President, the distinguished Senator is certainly doing everything that he can in the best of faith to try to explain some things about this amendment. I am sure this could go on quite a long time. It is not that kind of detail that this Senator is seeking.

Let me say again that I am not accusing anyone of acting in bad faith. Everybody is acting in good faith.

May I ask the distinguished manager of the bill: What were the four amendments that I understood Senators were holding back on to see what was in the managers' amendment? If we could have some indication of what they were about, that would be satisfactory with me.

Mr. DOMENICI. Sure.

Let me say, Mr. President, to the Senator from West Virginia that there was a Hutchison amendment. It had to do disproportionate share of payments to hospitals, and there is a modification of that which had adversely affected Texas that is apparently somewhat ameliorated there. Senator SPECTER had the exact issue, and he had a disproportionate share of payments amendment. He is part of this overall agreement that is in this managers' amendment.

Then there was a Bob Kerrey abortion amendment that had nothing to do with this amendment. But I asked him to wait for the managers' amendment before he did something on it.

I assume that Senator MURRAY is going to make the point of order on that issue. But I am not certain of that.

Mr. KERREY. That is close enough. There was actually a modification that requires me to wait before I offer my amendment. Otherwise I will have to offer it twice.

Mr. DOMENICI. OK. Unless he waits for that, he will have to offer it again.

Then there was a Senator Kennedy uninsured children's amendment that also seems unrelated. But he indicated that he would like to wait and see what happened to this amendment.

That was the four that I mentioned.

I think that is the full stint of those amendments and the stories behind them.

I yield the floor.

Mr. BYRD. Mr. President, I thank all Senators, particularly the managers of the bill, the Senator from Delaware, and also the distinguished Senator from New York [Mr. MOYNIHAN]. I thank them all. I thank all of them.

I don't have any other questions to raise. I will not ask for a division. Senators have certainly done the best they could to go as far as they could in answer to this Senator's frustration. That is what we are talking about. We are all frustrated. It is the rule, and we ought to try to find some way to change it. I don't have any quarrel with any Senator in particular.

I thank all Senators.

The PRESIDING OFFICER. The pending question is the amendment, as modified, No. 506.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 506), as modified, was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Now, Mr. President, do we have the child health amendment ready?

Mr. JEFFORDS. Mr. President, I believe we are all set with a colloquy that has clarified the language.

Mr. DOMENICI. I would like to proceed with that. We are very, very close to having no amendments left except a Murray point of order and a Kennedy point of order.

Mr. KENNEDY. Mr. President, if is agreeable with the floor manager, I would call up our Medicare home health benefit transfer from part A to part B and proceed with that.

Mr. DOMENICI. I say to the Senator, I was trying, if I could, to get one amendment before you, but if it is not ready, we will go right to you.

Mr. KENNEDY. That is all right. We are here so we will accommodate whatever.

Mr. DOMENICI. Mr. President, the amendment, which is a product of many Senators on both sides, with reference to child health is not ready. Therefore, we would like to move to the point of order either by Senator MURRAY or Senator KENNEDY.

Is Senator MURRAY ready?

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

POINT OF ORDER

Mrs. MURRAY. Mr. President, I make a point of order that section 1949(a)(2) of this act violates section 313(b)(1)(A) of the Congressional Budget Act.

Mr. President, as an appropriator, I object to the language included in this legislation by the Finance Committee that would make permanent a prohibition against Medicaid managed care funds being used for abortion services except in the cases of rape, incest, or where the woman's life is in danger. This is, for all intents and purposes, a permanent extension of the so-called Hyde amendment that has been included in every Labor-HHS and education appropriations bill since 1987. A reconciliation bill is not the proper vehicle for major abortion policy decisions. This is not how Congress has traditionally dealt with such decisions, and this is not how we should begin to deal with such decisions.

I know that some of my colleagues disagree——

Mr. LAUTENBERG. If the Senator will yield, Mr. President, this place is not in order. It is terribly unfair to the Senator. Her voice is soft, and we ought to make sure that we can hear it. She has an important message for all of us, and I resent the fact that people are talking and laughing and doing what they are doing.

Please, Mr. President, let us get order.

The PRESIDING OFFICER. Before the Senator from Washington proceeds, let me ask all Senators, if they would, to please take their conversations to the Cloakroom and give the Senator from Washington the courtesy of everyone hearing her remarks.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. I might explain to the Senators the reason for the delay and the quorum call is that we are discussing with Senator MURRAY, with reference to a point of order, we are discussing exactly what it means and what it doesn't mean, and she has requested that we set it aside pending further discussion. So I so propose a unanimous-consent request to the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The point of order will be set aside.

AMENDMENT NO. 504

Mr. DOMENICI. I understand Senator KENNEDY has two remaining amendments. One has to do with home health care and the trust fund. I believe he is going to take that up now.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, if we could have the attention of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, this amendment would speed up the agreed-upon transfer of a portion of the Medicare home health benefit from part A to part B. This acceleration would extend the solvency of the Medicare trust fund by 2 years. It would not affect the deficit or seniors' premiums. We have maintained in our amendment that the premiums that have been agreed to would be maintained, or it would not affect the total amount of the benefit ultimately transferred.

It is strictly a bookkeeping transaction, but it will help save Medicare. It extends the solvency of the Medicare Program by 2 years. It was in the President's budget. It is a desired outcome for those who are interested in the financial security of the Medicare trust fund. We debated the stability and the security of the Medicare trust fund at length yesterday. This is a way of extending it by 2 years.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. I yield time in opposition to Senator ROTH, chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I object to the amendment. We are transferring, over 7 years, home health care to part B, but we want to do it in seven segments because it is agreed that the beneficiaries should continue to pay 25 percent of the cost of the part B services. We do not want to put it all over the first year because we do not want to raise the premiums that rapidly.

So in order to be consistent, what we provide in the legislation is that the home health care will be transferred over 7 years. Each year an additional seventh will be included in the cost of the premium, so that will make the phasein much lower.

The PRESIDING OFFICER. Is there further debate?

The Senator from New Mexico.

Mr. KENNEDY. Mr. President, do I have any further time?

The PRESIDING OFFICER. Both sides have used their allotted time.

Mr. DOMENICI. Mr. President, I make a point of order that the Kennedy amendment violates the Budget Act in that the amendment is subject to the Byrd rule.

Mr. KENNEDY. Mr. President, I move to waive the point of order as made.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the point of order. All those in favor say yea.

Mr. KENNEDY. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The yeas and nays resulted—yeas 38, nays 62, as follows:

[Rollcall Vote No. 127 Leg.]

YEAS—38

Akaka	Feingold	Levin
Bingaman	Feinstein	Lieberman
Boxer	Ford	Mikulski
Breaux	Glenn	Murray
Bryan	Graham	Reed
Bumpers	Harkin	Reid
Byrd	Inouye	Robb
Cleland	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
Daschle	Kerry	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	

NAYS—62

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Gramm	Moseley-Braun
Baucus	Grams	Moynihan
Bennett	Grassley	Murkowski
Biden	Gregg	Nickles
Bond	Hagel	Roberts
Brownback	Hatch	Roth
Burns	Helms	Santorum
Campbell	Hollings	Sessions
Chafee	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Cochran	Inhofe	Smith (OR)
Collins	Jeffords	Snowe
Coverdell	Kempthorne	Specter
Craig	Kerrey	Stevens
D'Amato	Kohl	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner
Faircloth	Mack	

The PRESIDING OFFICER. On this vote, the yeas are 38, the nays are 62. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 504

Mr. SPECTER. Mr. President, I have sought recognition to explain my views concerning the Kennedy amendment 504, which would have immediately transferred to Medicare part B the home health benefits currently paid for under the Medicare part A trust fund.

Payment for home health care is made from the part A trust fund for home health services such as part-time or intermittent nursing care provided by or under the supervision of a registered nurse or home health aide.

To protect the solvency of the part A trust fund, the bill shifts some of the home health costs on a 7-year phased-in basis from part A to part B.

The budget reconciliation bill reflects a careful compromise on protecting the solvency of the part A trust fund for all seniors without unduly burdening the taxpayers. Under the Kennedy amendment some of the bill's fiscal protections would have been dropped, and taxpayers would have effectively funded 100 percent of the home health services in fiscal year 1998, which would be unprecedented under Medicare. In my judgment that goes too far and adversely affects the present preferable balance.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, throughout the day I have been working with Senator CHAFEE and others with regard to amendments.

Mr. LAUTENBERG. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate is not in order. The Senate will please come to order.

The majority leader.

UNANIMOUS CONSENT AGREEMENT

Mr. LOTT. Mr. President, I have been working with Senator CHAFEE and others, including Senator JEFFORDS, on a number of amendments that were offered last night as first- or second-degree amendments. I think we have worked out a process, now, that we are all comfortable with. Let me enter this unanimous-consent request and then we will have a brief colloquy also.

I ask unanimous consent the following amendments be withdrawn: Chafee amendment No. 448, Chafee amendment No. 500, Chafee amendment No. 501, Lott amendments Nos. 505, 507, 508, 509, Rockefeller amendment No. 510 and the Roth amendment No. 513;

I further ask unanimous consent that the Senate turn to the Roth amendment No. 511, and that all between lines 23 on page 22 and line 3 on page 23 be stricken;

I further ask the Senate then call up the Chafee amendment No. 512 to the Roth amendment No. 511, as modified, that the Chafee amendment be agreed to, and the Roth amendment, as amended, then be agreed to;

I further ask unanimous consent that when the committee amendment to S. 949, the Taxpayer Relief Act, is before the Senate, Senator ROTH be recognized to offer an amendment which is the text of the Roth amendment No. 511, as modified and amended, and the text of the Kennedy amendment, No. 492, if adopted by the Senate, to S. 947, to the language regarding the children's health initiative, and the amendment be agreed to;

Finally, I ask unanimous consent that it not be in order during the pendency of S. 949 to offer further amendments or motions regarding title XXI of the Social Security Act, except amendments regarding revenues and outlays.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. The Senator from Delaware——

The PRESIDING OFFICER. The Senator from Vermont will suspend. The Senate is not in order. Senators please take their conversations off the Senate floor. The Senator from Vermont.

Mr. JEFFORDS. If the chairman of the Finance Committee would give me his attention, as I read the unanimous consent request, States would not be able to use the new funds under the children's health insurance initiative to provide health care coverage under either the block grant or to provide Medicaid for children over 200 percent of poverty.

This creates a real problem for a number of States. Vermont is currently covering all children aged 18 that have family incomes of 225 percent of poverty through its Medicaid Program. I would like to be assured that we will work to address this concern in the conference so that States have the ability to use the new funds to provide health care coverage for children over 200 percent of poverty. There are children above this level that need the help badly.

Mr. ROTH. Mr. President, I say to the Senator from Vermont, he has my assurance that we will discuss this concern in the conference committee. It is not my intent to penalize those States that have done a good job in covering their low-income children or to exclude needy children from coverage.

Mr. CHAFEE. I would like to address this, Mr. President, if I might, to the distinguished chairman of the Finance Committee. It is also my understanding that a State would be able to use any new funds to provide health coverage for children under 200 percent of poverty and use existing State dollars, normally used for this purpose, in order to provide health care coverage for children over 200 percent of poverty.

Mr. ROTH. Mr. President, section 2102 allows for the use of existing State funds to provide additional health care coverage for children over 200 percent of poverty.

Mr. CHAFEE. I thank the chairman for that. I also extend my thanks to the distinguished majority leader for helping us reach this unanimous-consent agreement. I believe the resolution of this problem has been a very good one. I thank, as I say, the majority leader and the chairman of our Finance Committee and other Senators who have worked on this, particularly on our side, Senator JEFFORDS.

Mr. GREGG. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Hampshire reserves the right to object.

Mr. GREGG. Is the practical effect of this amendment that there will only be two options available now to States: One would be to put the child in Medicaid, and the other would be to use a Blue Cross/Blue Shield standard option plan with hearing and eyeglasses?

Mr. ROTH. No; the choice is not limited to that. Under the option, the States must provide benefits that are the equivalent of a Blue Cross standard plan. But I emphasize the word ''equivalent,'' because it means considerable flexibility. I should point out, it also includes vision and hearing services.

Mr. CHAFEE. That is right. The State can use its own funds. If it has been using its funds for other types of services, they can continue using their State funds for those other types of services.

Mr. GREGG. Further reserving the right to object.

The PRESIDING OFFICER. The Senator from New Hampshire further reserves the right to object.

Mr. GREGG. The practical effect of this then is that the programmatic activities are specifically mandated as being either a Medicaid Program or a

Blue Cross/Blue Shield equivalent program, is that not correct?

Mr. ROTH. That is correct.

Mr. GREGG. I have very serious reservations about this. I presume the leaders worked hard on reaching this agreement, and I presume that there is going to be further consideration of this issue.

Mr. LOTT. As a matter of fact, Mr. President, if I can respond to the Senator's reservation, I noted when I read through this that there were a series of amendments that had been offered in a variety of ways affecting this particular area: Three by Senator CHAFEE, four by myself, one by Senator ROTH, one by Senator ROCKEFELLER. So this is quite a laboriously worked-out process.

The Senator from Vermont, as a matter of fact, is not particularly happy with some provisions still remaining, and he had an amendment that would have tried to change that. A number of others—Senator NICKLES of Oklahoma—I believe, had something. But this unanimous-consent agreement was worked out in a way that a number of Senators decided not to go forward with their objections.

I personally don't agree with this, but it is the best way that we could work through about six or eight amendments that were pending in a reasonable and fair way, and it certainly will have another day in court.

Mr. GREGG. Well, on that representation, I won't object, but I have serious reservations, I must say.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I say to my colleagues, I think the majority leader is exactly right, and I congratulate him, as well as Senator ROTH and his excellent staff, as well as Senators CHAFEE, JEFFORDS and many others who worked on it.

As the majority leader has indicated, it has been a very laborious, long process in which things sort of just gradually, tectonically moved together, but very, very slowly.

The point is that we can say now children are going to have good benefits, and that doesn't mean that they have to pick a particular plan. There is not a mandate in this that they have to pick this plan or that plan, but they will be able to get the kinds of benefits that we have as Senators, as Federal workers.

I think, frankly, we have an obligation to make sure our children have plans. Preventive care, hospital care, doctor care, prescription, vision and hearing is in this. That is very important for early years, preventive care.

So I think, frankly, it has been extremely complicated, it has taken a long time, but I think it is a good compromise, a good agreement, and I congratulate those who brought it together.

Mr. LOTT. Mr. President, also, before I renew my unanimous-consent request, Senator BREAUX was also involved in this exercise and was helpful. I express my appreciation to him.

I renew my unanimous-consent request.

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

Mr. LOTT. I yield the floor, Mr. President.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from West Virginia, Senator ROCKEFELLER, for his help in this. As he mentioned, this has been a very long, long difficult process. He has been very helpful.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, if it is agreeable with the floor managers, I am prepared to move ahead with my amendment dealing with children's benefits.

Mr. DOMENICI. I believe that is the last amendment, except the three points of order that are going to be submitted by the Democratic floor leader en bloc.

Mr. KERREY. I still have my amendment.

Mr. DOMENICI. Sorry, I forgot. I thought that was going with Senator MURRAY when she withdraws her point of order. It is different?

Mr. KERREY. Yes.

Mr. DOMENICI. Can we recognize Senator MURRAY for a moment? She intends to speak to the Senate with reference to her previous point of order.

POINT OF ORDER, WITHDRAWN

Mrs. MURRAY. Mr. President, I withdraw my previous point of order, but I want this body to know that I object to the language in this bill that essentially makes Hyde permanent and affects those States whose managed care plans now cover medically necessary abortions. Unfortunately, the way the language was cleverly drafted, my point of order would have unintended consequences.

I go back to what my colleague from West Virginia said to all of us a few minutes ago. I think as we move toward final passage, I hope we all understand the severe consequences of the many different arenas in this bill.

I withdraw my point of order.

The PRESIDING OFFICER. The Senator has a right to withdraw her point of order. The point of order is withdrawn.

The Senator from Massachusetts.

AMENDMENT NO. 492

Mr. KENNEDY. Mr. President, I call up our amendment dealing with the special health needs of children. I call up the amendment on behalf of myself and Senator HARKIN.

First of all, I commend the Senators for getting us where we are in terms of the new health benefits package for children, but there are some very critical needs for children, children with disabilities, children who are developmentally delayed and children with special needs.

Those needs are not attended to, and that is why this amendment is supported by the Consortium of Citizens with Disabilities, the American Academy of Pediatrics, the American Association of Retarded Citizens and the National Alliance for the Mentally Ill.

This will ensure that, in those particular areas, the children will receive what is medically necessary. The Federal employees program is targeted to adults and not toward children. This recognizes that there are special needs for children in these areas, and it permits what is medically necessary. It is a limited program, but it is vital in terms of the special needs of those children. I hope that it will be agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield 40 seconds of our time to Senator ROTH, and I will use 20 seconds.

Mr. ROTH. Mr. President, I oppose the Kennedy amendment. As we have just been discussing, we have carefully crafted and negotiated the issue of the benefits package for the new children's health initiative. This amendment would break that agreement by requiring additional benefits. It does the very opposite of what we want to do. We want to provide flexibility to the States, and this would be a major step in the wrong direction.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this would change a bipartisan compromise in the committee and make a long list of benefits mandatory. Thus, it would fly in the face of reform and make it more difficult for the States to deliver quality care for less money. In essence, it is apt to produce less quality care under the rubric of supplying all of the specifics, even if you could get better care with less specifics.

I move to table the Kennedy amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 492. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 128 Leg.]

YEAS—57

Abraham	Coats	Frist
Allard	Cochran	Gorton
Ashcroft	Collins	Graham
Baucus	Coverdell	Gramm
Bennett	Craig	Grams
Bond	D'Amato	Grassley
Breaux	DeWine	Gregg
Brownback	Domenici	Hagel
Burns	Enzi	Hatch
Campbell	Faircloth	Helms

Hutchinson	McCain	Shelby
Hutchison	McConnell	Smith (NH)
Inhofe	Moynihan	Smith (OR)
Kempthorne	Murkowski	Snowe
Kerrey	Nickles	Stevens
Kyl	Roberts	Thomas
Lott	Roth	Thompson
Lugar	Santorum	Thurmond
Mack	Sessions	Warner

NAYS—43

Akaka	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Harkin	Murray
Bryan	Hollings	Reed
Bumpers	Inouye	Reid
Byrd	Jeffords	Robb
Chafee	Johnson	Rockefeller
Cleland	Kennedy	Sarbanes
Conrad	Kerry	Specter
Daschle	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	
Feingold	Levin	

The motion to lay on the table the amendment (No. 492) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 427

Mr. DOMENICI. Mr. President, there is an amendment pending at the desk, an amendment for Senator DEWINE that is No. 427.

I am going to send, at his request and with the approval of the minority, a modification. This amendment, as modified, will amend the Social Security Act to continue full-time equivalent resident reimbursement for 1 additional year under Medicare for direct graduate medical education for residents enrolled in combined approved primary care medical residency training programs.

AMENDMENT NO. 427, AS MODIFIED

Mr. DOMENICI. I send the modification to the desk, and ask unanimous consent that we call up the amendment as modified.

The PRESIDING OFFICER. Is there objection to modifying the amendment?

Without objection, it is so ordered. The amendment is modified.

The amendment (No. 427), as modified, is as follows:

At the appropriate place in chapter 3 of subtitle F of division 1 of title V, insert the following:

SEC. . MEDICARE SPECIAL REIMBURSEMENT RULE FOR PRIMARY CARE COMBINED RESIDENCY PROGRAMS.

(a) IN GENERAL.—Section 1886(h)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(G)) is amended—

(1) in clause (i), by striking ''and (iii)'' and inserting '', (iii), and (iv)''; and

(2) by adding at the end the following:

''(iv) SPECIAL RULE FOR PRIMARY CARE COMBINED RESIDENCY PROGRAMS.—(I) In the case of a resident enrolled in a combined medical residency training program in which all of the individual programs (that are combined) are for training a primary care resident (as defined in subparagraph (H)), the period of board eligibility shall be the minimum number of years of formal training required to satisfy the requirements for initial board eligibility in the longest of the individual programs plus one additional year.

''(II) A resident enrolled in a combined medical residency training program that includes an obstetrics and gynecology program qualifies for the period of board eligibility under subclause (I) if the other programs such resident combines with such obstetrics and gynecology program are for training a primary care resident.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to combined medical residency training programs in effect on or after January 1, 1998.

Mr. DOMENICI. I believe that amendment is acceptable.

I yield back any time I might have.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 427), as modified, was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 447, 464, 470, 477, AND NO. 503, AS MODIFIED, WITHDRAWN

Mr. DOMENICI. I ask unanimous consent to withdraw five amendments that remain: 447, Senator HUTCHISON; 464, Senator BROWNBACK; 470, Senator SPECTER; 477, Senator DURBIN; and 503, Senator ROCKEFELLER.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendments are withdrawn.

The amendments (Nos. 447, 464, 470, 477, and No. 503), as modified, were withdrawn.

Mr. DOMENICI. Mr. President, there is one additional amendment by Senator KERREY.

The PRESIDING OFFICER. The Senate will come to order.

Mr. DOMENICI. One additional amendment by Senator KERREY, which will require a vote. Then there will be three points of order en bloc by the minority. We will not seek to overrule them. We will accept them. The provisions will then cause those portions of the bill to fail, to drop. Following that, we will have final passage.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 496, AS MODIFIED

Mr. KERREY. Mr. President, I ask unanimous consent to modify my originally filed amendment since the managers' amendment changes the language that my amendment seeks to strike.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is modified.

The amendment (No. 496), as modified, is as follows:

At the appropriate place in section 2106, as added by section 5801, strike all matter related to ''use limited to State Program Expenditures'' and insert the following:

''(d) USE LIMITED TO STATE PROGRAM EXPENDITURES.—Funds provided to an eligible State under this title shall only be used to carry out the purposes of this title.''

Mr. KERREY. Mr. President, there is language in the bill that imposes what has been imposed typically in the appropriations process, permanently imposing a restriction on the use of Federal money for payment for abortions. I know it is very controversial, a lot of fun to debate. But by putting it in permanent law, we are doing something entirely different than has been done before.

Second, I would say to my colleagues, this affects only low-income teenagers. That is basically what we are doing, saying to low-income teenagers that we are not going to allow taxpayer money to be used for abortions.

Third, I would say, for those who say, ''Well, that's right, we don't want to use taxpayer money for abortions,'' we do not have a similar restriction on our salaries, we do not have a similar restriction on any other Federal employee's salary. If we have income coming to us, that is taxpayer income.

If you want to be consistent here, you want to say you are going to treat low-income teenagers the same as our teenagers are treated, then you would have to put restrictions on how we can spend our salaries as well.

I hope that this amendment will pass and we will strike this language. If you want to bring the Hyde amendment up, I think it is much more appropriate to do so not on appropriations bills.

Mr. DOMENICI. I yield time in opposition to Senator NICKLES.

Mr. NICKLES. Mr. President, I rise in opposition to the amendment of Senator KERREY. We put in language in this bill to make sure in this new program—we created a new program for health care for kids, for teenagers. What we are doing in this amendment is saying this health care program should not include abortion or money for elective abortion.

We basically said no public funds would be used for abortion —only if the abortion is necessary to save the life of the mother or in cases of rape or incest. That is consistent with the Medicaid Program. That is consistent with Federal health care policies that we have for Federal employees right now, and we certainly should not create a new program that says, ''Oh, you can have abortion on demand, paid for by taxpayers.'' We will spend billions of dollars. We should not be saying those billions are eligible for teenagers for elective abortion.

I urge my colleagues to vote no on the Kerrey amendment.

Mr. KERREY. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. ABRAHAM). Is there a sufficient second?

There is a sufficient second.

The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 496, as modified.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 61, as follows:

[Rollcall Vote No. 129 Leg.]

YEAS—39

Akaka	Glenn	Mikulski
Baucus	Harkin	Moseley-Braun
Bingaman	Hollings	Moynihan
Boxer	Inouye	Murray
Bryan	Jeffords	Reed
Bumpers	Kennedy	Robb
Campbell	Kerrey	Rockefeller
Chafee	Kerry	Sarbanes
Daschle	Landrieu	Specter
Dodd	Lautenberg	Stevens
Durbin	Leahy	Torricelli
Feingold	Levin	Wellstone
Feinstein	Lieberman	Wyden

NAYS—61

Abraham	Enzi	Lugar
Allard	Faircloth	Mack
Ashcroft	Ford	McCain
Bennett	Frist	McConnell
Biden	Gorton	Murkowski
Bond	Graham	Nickles
Breaux	Gramm	Reid
Brownback	Grams	Roberts
Burns	Grassley	Roth
Byrd	Gregg	Santorum
Cleland	Hagel	Sessions
Coats	Hatch	Shelby
Cochran	Helms	Smith (NH)
Collins	Hutchinson	Smith (OR)
Conrad	Hutchison	Snowe
Coverdell	Inhofe	Thomas
Craig	Johnson	Thompson
D'Amato	Kempthorne	Thurmond
DeWine	Kohl	Warner
Domenici	Kyl	
Dorgan	Lott	

The amendment (No. 496) as modified, was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please come to order.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am just waiting for the minority manager to make a point of order, and we will be ready to go to final passage.

POINT OF ORDER

Mr. DASCHLE. Mr. President, pursuant to section 313 of the Congressional Budget Act, I make a point of order that the following sections of the pending bill are extraneous to the reconciliation instructions of the respective committee of jurisdiction: section 5713, section 5833, and section 5987.

The PRESIDING OFFICER. The Chair sustains the points of order.

Mr. ROBB. Mr. President, I rise today to discuss S. 947, the Balanced Budget Act of 1997. I'm pleased that we've come together in a bipartisan way—both sides of the aisle, both sides of the Capitol, and both ends of Pennsylvania Avenue—to craft a plan that brings us a step closer to fiscal sanity.

The good news, Mr. President, is that the bill before us realizes roughly $137 billion in savings over the next 5 years. And that's good news for our country and for our children and our grandchildren.

S. 947 provides additional years of solvency to the Medicare hospital trust fund, reforms payment methodologies for skilled nursing facilities, home health, and outpatient entities, and includes greater choice—and expanded preventive benefits—for millions of Medicare beneficiaries. As a cosponsor of the original Chafee-Rockefeller child health bill, I'm delighted that this bill contains $16 billion to expand access to health care for America's children, most of whom live in the home of an American worker.

Someday, our children will be grateful for the $16 billion we invested in their health care, Mr. President. And they will be grateful that we succeeded today in saving $137 billion in future debt—debt we will not ask them to pay.

But our children will not be grateful if we don't take this opportunity in this budget to tackle long-term entitlement reform in a systemic way.

We all know the statistics. While entitlements and interest on the national debt represented just 30 percent of our budget in 1963, they will absorb 70 percent by the year 2002. And even more alarmingly, if we don't make changes in the way we do business around here, entitlements and interest on the debt will absorb the entire Federal revenue base by the year 2012. How then can we responsibly invest in our children? How can we sustain the transportation infrastructure needed to support a thriving economy in the next century? How do we pay our soldiers, repair our subs and carriers, and invest in the technology we need to remain the last great superpower on Earth?

Mr. President, despite the fact that the vast majority of economists have told us that we need to adjust the consumer price index to accurately reflect inflation, we have no legislative CPI adjustment in this package. Opponents say that since we don't need a legislative CPI adjustment to balance the budget in 5 years, it's not in this plan. But what about when the baby boom generation retires, Mr. President, when just three workers—and then two—will support each Social Security beneficiary?

The Finance Committee had the courage to include a provision in this bill to gradually increase the eligibility age for Medicare from 65 today to 67 by the year 2027. This provision has been under assault—and will continue to be—from many sides. Some who oppose it argue that this is not the time. And while I'm committed to identifying methods to provide access for those who may encounter a lapse in coverage—and this bill creates a bipartisan commission that will look at the feasibility of a Medicare buy-in program—when will the time be right? We had a good vote in support of this eligibility increase in the Senate and we have to fight to retain it in conference.

Finally, the home health copay and the affluence testing for wealthy seniors which were included in the committee mark and which were supported by the majority of the Senate during two rollcall votes held yesterday will likely not survive conference as well, Mr. President. These provisions are in danger even though we all know we have to find responsible ways to reduce the Federal cost of Medicare. While affluence testing of part B premiums is a political lightning rod, it is good public policy. It is simply indefensible to require lower income families, many who cannot afford health insurance for their own children today, to continue to help subsidize 75 percent of the Medicare premiums of wealthy seniors.

We have much to do, Mr. President, to fulfill our obligation to leave our children a strong economic future and a quality of life equal to the one we inherited from our own parents. The first step is to balance our budget—and I hope the bill before us accomplishes that goal. The next step—and it is an essential one—is to tackle long term, systemic entitlement reform that will protect both the solvency of Medicare and Social Security and the economic security of the generations that follow us.

I hope the conferees will not make those goals even harder to achieve in the future.

With that plea Mr. President, I yield the floor.

THE BUDGET RECONCILIATION BILL MUST PROTECT LEGAL IMMIGRANTS

Mr. KENNEDY. Mr. President, I continue to be concerned about actions by Congress that hurt legal immigrants.

Last year, Congress passed a so-called welfare reform bill. This harsh bill cut off legal immigrants from most Federal assistance programs for the first time in history. It permanently banned legal immigrants from SSI and food stamps. It banned them for 5 years from AFDC, Medicaid, and other programs. And, it gave the States the option of permanently banning them from these programs.

We quickly saw the effect of these extreme provisions. Panic spread through the immigrant community. The Social Security Administration sentnotices to legal elderly and disabled immigrants that they would soon lose their SSI benefits. Numerous reports in the press told of legal immigrants who would be turned out of nursing homes, or cut off from disability payments. Some legal immigrants took their own lives, rather than burden their families. Thankfully, many Members of Congress realized that these provisions went too far.

This budget reconciliation bill corrects many of those mistakes. Members of the Finance Committee and Budget Committee showed impressive leadership in developing this bill. They recognized that the immigrants affected by last year's harsh cuts are individuals and families who came here legally. By and large, they are family members—mothers, fathers, and sons, daughters—of American citizens. They play by the rules, pay their taxes, and serve in the Armed Forces. They can be drafted. They can volunteer. We have hundreds of them in Bosnia today.

They are future citizens trying to make new lives for themselves and their families in this country. I commend the committees for working so hard to come up with a bipartisan proposal.

This bill allows legal immigrants who are already receiving SSI to continue their SSI payments. It preserves SSI coverage for immigrants already in the United States who become disabled in the future, and for future immigrants who are too severely disabled to go through the process of naturalization to become citizens. It extends the exemption for refugees from 5 to 7 years. It exempts children from the 5-year ban on Medicaid eligibility.

There is still much more to be done to correct the problems created for immigrants by last year's welfare reform law. But, overall, this bill makes worthwhile progress toward restoring a safety net for immigrants who fall on hard times. I hope that Senators will do all they can to see that the immigrant provisions in this bill are retained in the Senate-House conference and final bill.

MEDICARE REFORM

Mr. GRAMS. Mr. President, I rise today in support of some very important Medicare reforms made within the reconciliation package before us. Specifically, I am pleased the committee included reforms to the formula used to determine the reimbursement rate for health plans under the Medicare Program to make it fairer and more equitable for States like Minnesota and other parts of rural America, changes to ensure better access to emergency medical services, and an expansion of Medical Savings Accounts.

Reform of the Adjusted Average Per Capita Cost formula has been needed for years because the formula has discriminated against seniors who choose to live and retire in rural communities. It has penalized States like Minnesota which are efficient in delivering health care services, and in doing so, discouraged quality health care. Since being elected to the Senate in 1994, I have made restoring fairness and equity to Medicare recipients in Minnesota and other parts of rural America a top priority.

Mr. President, we are all aware of the fact that the current Medicare reimbursement formula discriminates against Minnesota by giving our State the second-lowest payment rates in the Nation. Not one county in the entire State of Minnesota, or in 15 other States, receives the national average of $467 in AAPCC payment per month.

Because of these low reimbursement rates, managed care organizations have been discouraged from offering our senior citizens many of the alternative health plans available in other parts of the country, plans which offer additional benefits such as eyeglasses and prescription drugs. Clearly, this is a problem which should have been addressed long ago.

In February, several of my colleagues and I introduced S. 359, the Medicare Payment Equity Act, which would have established a floor of 80 percent of the national adjusted capitation rate for the year and made the AAPCC formula more equitable by blending the national and county specific percentage. More recently, I cosponsored S. 862, authored by Senator GRASSLEY, which followed the same lines of reform and even more closely resembles what was ultimately passed by the Finance Committee. Under the leadership of Finance Chairman ROTH and through the tireless efforts of Senators THOMAS, BURNS, GRASSLEY, and ROBERTS, we have succeeded in beginning to fix the Medicare formula to make it fairer for Minnesota's seniors and right some of the wrongs against us.

The AAPCC reforms contained in the reconciliation bill are a very important step in restoring fairness and providing greater choices for Medicare recipients who live in Minnesota, particularly in rural communities. This truly represents a great victory for Minnesota's senior citizens as we close the long-standing gap of inequity in the Medicare Program.

Mr. President, this legislation also addresses another important issue in which I have been deeply involved. In January, Senator GRAHAM of Florida and I introduced S. 238, the Emergency Medical Services Efficiency Act, to establish a reasonable standard for determining Medicare reimbursement for EMS services. Our bill would ensure that EMS providers would be reimbursed based upon a prudent layperson standard, rather than the ultimate diagnosis of a physician. This revised definition will ensure that EMS providers are prepared to meet the challenges facing them as they work to improve their services.

All of us depend daily on the readiness, efficiency, and immediate response of our emergency medical system. And while many of us take it for granted, we all want it to work well when we need it. Many of the men and women who risk their lives delivering emergency care have told me the system can be improved, yet their desire to improve the services they provide has rarely been recognized by Congress. This provision in the reconciliation bill is the first step in helping EMS providers help themselves become more efficient. I would like to thank Senator GRAHAM for his efforts in the Finance Committee to see that this important issue was included in the package.

Finally, I would like to thank Chairman ROTH for his efforts to include an expansion of Medical Savings Accounts. In developing a Medicare Choice Program modeled on the Federal Employee Health Benefits plan, this will offer, for the first time, a real choice to America's seniors.

Again, I commend and thank Chairman ROTH and his Finance Committee colleagues for including these important changes in the reconciliation spending package.

BIPARTISAN BUDGET AGREEMENT ITEMS TO BE ACHIEVED IN APPROPRIATIONS PROCESS

Mr. DOMENICI. Mr. President, I rise to address some concerns expressed by the administration with regard to two items they believe should be in this reconciliation bill. I would like to clarify what we assumed in the 1998 budget resolution for those items.

The bipartisan budget agreement did include assumptions on additional funding for unemployment insurance benefits integrity and on extension of fees for SSI State supplemental benefit administration. In both instances, the budget resolution assumed that these proposals would be implemented by the Appropriations Committee, and therefore the authorizing committees were not instructed to achieve these savings in reconciliation. The budget resolution is the basis for scoring congressional action and cannot be changed in an ad hoc manner, that is, without passing another concurrent resolution to change it.

I would ask the chairman of the Appropriations Committee if it is not also his understanding that these proposals are to be considered by his committee?

Mr. STEVENS. As chairman of the Appropriations Committee, I am committed to working with the chairman, and the administration regarding the levels of funding assumed in the bipartisan budget agreement that are within purview of the Appropriations Committee. It is my understanding that the Subcommittee on Labor, Health and Human Services, and Education has been working with the Office of Management and Budget with regard to the proposals you have mentioned.

Mr. DOMENICI. I thank the Senator for helping clarify this matter.

COVERAGE OF CERTAIN SERVICES IN RELIGIOUS NONMEDICAL HEALTH CARE INSTITUTIONS UNDER THE MEDICARE AND MEDICAID PROGRAMS

Mr. KENNEDY. Mr. President, I strongly support the provisions in this bill to ensure the continuation of Medicare and Medicaid reimbursement for secular nursing services in religious nonmedical health care institutions. These provisions ensure that strong religious beliefs are not a barrier to Medicare and Medicaid benefits.

When Medicaid and Medicare were enacted over 30 years ago, Congress included a special provision granting a religious accommodation for members of the church, so that they could receive benefits for care in their facilities comparable to the benefits available to others for similar cases.

For 30 years, the Christian Science Church relied on Medicare and Medicaid benefits and built a health care system that assists thousands of men and women. At a time when the Health Care Finance Administration has expressed increasing concerns about fraud and abuse in Medicare and Medicaid, there are no complaints about the Christian Science Church. Members of the church only ask to practice their religion without unnecessary interference.

Last summer, however, a Minnesota district court determined that the provisions in the Medicare and Medicaid statutes onto the Christian Science Church are unconstitutional. As Judge Kyle stated in his opinion, ''legislative accommodation of religious beliefs is a valuable and worthy enterprise, but here * * * the accommodation has gone too far and too strongly favors the convictions of one particular sect.''

However, the court also recognized the fundamental injustice that Christian Scientists were required to pay the taxes for Medicare and Medicaid, but could not receive the benefits of these programs. The court also recognized the purpose underlying the original statutes. The court clearly identified the statutory language referring to the church as the problem, not the goal of providing comparable benefits to those who disavow traditional medical treatment because of their religious beliefs.

The provision in the reconciliation bill meets this goal without undermining the Constitution. All references to the Christian Science Church are eliminated. The provision will grant reimbursement for secular nonmedical nursing services to any person who, because of religious beliefs, does not believe in medical care and relies on faith healing in a religious nonmedical health care institution. As with other aspects of this health care system, the Health Care Finance Administration will closely monitor the provision for fraud, abuse, and public health concerns.

The chairmen of the House and Senate Judiciary Committees, the chairman of the House Ways and Means Committee, the chairman of the Senate Finance Committee, and I have worked closely to ensure the constitutionality of this provision.

This provision meets the worthwhile goals of the original Medicare and Medicaid laws, while meeting constitutional concerns. It deserves to be enacted into law so that the needed benefits will continue to be available.

FOOD STAMPS FOR CROSS-BORDER NATIVE AMERICANS

Mr. JEFFORDS. Mr. President, I know it is too late for Chairman ROTH to include this change in the manager's amendment, but I did want to raise it before we finish here today.

As the chairman knows, thanks to a provision in both the Finance and Ways and Means packages, native Americans who are entitled to cross the U.S. border under the Jay Treaty are not affected by last year's welfare law restrictions on providing SSI to aliens. Unfortunately, due to jurisdictional considerations, neither the Finance nor the Ways and Means Committees included food stamps in this provision. Preliminary estimates indicate that such an inclusion would not incur significant cost.

I understand Senator LUGAR is supportive of the inclusion of food stamps and I hope the chairman and ranking member will work with me and other Members during conference with the House to include a food stamp modification.

Mr. SMITH of New Hampshire. Mr. President, I rise today to commend my colleagues on the Armed Services Committee and the Finance Committee for having the courage to follow through on a promise the Government made long ago to career military personnel. I know the future of health care for elderly military retirees is an issue that deeply concerns many of us, and I am pleased that we have found a financially responsible solution to the growing problem of health care access for this group of retired personnel.

With the Defense Department expected to complete full implementation of the Tricare medical plan within the year, many retirees, who made it their lives' work to defend our freedom, face the certain loss of medical benefits when they turn 65 unless Congress acts now. As a member of the Armed Services Committee, I am deeply disturbed by this prospect. That is why I have consistently supported responsible initiatives to guarantee the future of DOD health care for Medicare-eligible military retirees.

In New Hampshire, I have witnessed firsthand the impact of defense downsizing on health care resources for this vulnerable population. When Pease Air Force Base closed in 1991, thousands of aging retirees were left to compete with active duty personnel and military retirees from neighboring States for fewer spaces in the New England DOD health care system. Once Tricare takes hold, this group will lose any remaining access to the military system they now enjoy because the Defense Department can no longer afford to offer these retirees the medical benefits they were promised. This is unacceptable.

After 4 years of meetings, hearings, and failed legislative initiatives, the Senate has finally reached a workable solution to the health care crisis now facing Medicare-eligible military retirees. Medicare subvention, as the plan is known, will allow the Defense Department to seek reimbursement from Medicare for the cost of treating eligible retired military personnel. By authorizing the DOD to carry out a 3-year Medicare subvention test program, the Senate has taken a decisive step toward restoring military retirees' faith in the country they honorably served. I am pleased to have supported Medicare subvention since the proposal's inception, and I look forward to working with my colleagues in the coming years to ensure that our Government does not shirk the responsibility of providing elderly military retirees with the quality, affordable health care they deserve.

I thank the chair and I yield the floor.

MEDICARE SUBVENTION

Mr. INHOFE. Mr. President, throughout each year we address a number of Medicare issues. This year, we have a Medicare issue within the reconciliation bill which is related to military health care, specifically, Medicare subvention. Without Medicare subvention, military treatment facilities cannot receive reimbursement from Medicare for care the facilities provide to military retirees who are also eligible for Medicare. With Medicare subvention, we can continue to improve the quality of life for military personnel, their families, and retired service members and their families by providing them with alternative access to treatment.

Because health care is such an important aspect of quality of life in the military, it is imperative that we continue to provide our military personnel and retirees with the access which they were promised. Currently, because the access of military retirees age 65 and over is on a space-available basis and due to overcrowding of military treatment facilities, finding adequate medical care has proven increasingly difficult if not impossible. Clearly, this is not a trend we want to continue if we hope to retain and recruit the quality and quantity of men and women needed to fight and win wars in the future.

Medicare subvention would fulfill the commitment made to our former service members by allowing Medicare to reimburse the Department of Defense [DOD] for care provided to members who are Medicare-eligible beneficiaries. I believe that Medicare subvention would be fiscally beneficial to Medicare and would make available an important revenue source that will enable and encourage DOD to provide care to over-65 retirees. Further, Medicare will save money because DOD can provide care less expensively than civilian providers. This is clearly a win-win situation for both the DOD and Medicare.

Clearly, ending access to military medical facilities when beneficiaries reach an age when they will most need it is fundamentally unfair. Our veterans have earned our support, and they deserve the best access to medical care that we can make available. I believe that Medicare subvention is a necessary step in the right direction, and I fully support the Medicare subvention provisions found in the reconciliation bill.

FOOD STAMP NUTRITION EDUCATION

Mr. SANTORUM. Mr. President, I support the amendment offered by the Senator from Texas, and I commend her for her diligent work in fighting fraud in the Food Stamp Program. I would also like to thank her for working with me to address a concern of mine with regard to food stamp nutrition education.

For 2 years, the Reading Terminal Farmers' Market trust participated in a partnership with the USDA to develop a community-based nutrition education program in Philadelphia. Using a Federal share to match private grants from the Knight, Pew and Kellogg Foundations, the trust established

the Philadelphia nutrition education network to integrate nutrition education into ongoing food distribution and health programs. The Philadelphia School District, Allegheny University of Health Sciences, WIC, the Archdiocese of Philadelphia and others were engaged as partners in the network, which reached over 17,000 children and adults in 1996.

By all accounts, this program was a success; and last summer, when the one-time cooperative agreement with USDA expired, the trust sought to continue their important work under the existing food stamp nutrition education program. In June 1996, the trust submitted a food stamp nutrition education plan requesting matching funds for a nutrition education plan in four low-income communities and at the Reading Terminal Market. Unfortunately, USDA regulations only permit a Federal match for local or State government funding. Since the Reading Terminal Farmers' Market Trust relies upon private contributions to fund their programs, USDA determined that they were not eligible to participate in the food stamp nutrition education program.

Since last summer, my office has been working with Reading Terminal Farmers' Market Trust to find a way for this program to continue. It is my understanding that nutrition education programs in Vermont and New York City have encountered similar problems with USDA matching funds. I have worked with Chairman LUGAR of the Agriculture Committee and Senator LEAHY to craft an amendment that will address these problems, and I am grateful to the Senator from Texas for including this language as section 2 of her amendment.

The language in this amendment will enable nonprofits and State agencies to receive grants in order to operate nutrition education programs that are coordinated among a broad range of food distribution and social service providers. In order to reach the maximum amount of eligible individuals and to leverage private funds for this endeavour, private donations will be made eligible to match the Federal grant.

The amendment provides $600,000 for grants for each of fiscal years 1998 through 2001, and no individual grant may exceed $200,000.

This provision has the support of Agriculture Committee Chairman LUGAR and Senator LEAHY.

FINAL REGULATIONS ON SOCIAL SECURITY INSURANCE DETERMINATIONS FOR CHILDREN

Mr. JEFFORDS. Mr. President, during the consideration of this important bill, I would like to bring to your attention developments regarding the administration's recently released SSI regulations for children. Through sections 211 and 212 of Public Law 104–193, the Personal Responsibility and Work Opportunity Act of 1996, Congress established a new eligibility test requiring that children show the presence of ''marked and severe functional limitations'' to become eligible for Supplemental Security Income [SSI] disability benefits. Additionally, under these new rules up to 300,000 children who are currently eligible for SSI will undergo a redetermination assessment over the next several months.

On February 11, 1997, in an attempt to implement these provisions, the Social Security Administration issued interim final regulations that require a level of disability that meets or equals the listings of impairments criteria. As stated in a letter written by nine of my colleagues and me to the President in April, I believe this regulation establishes an overly severe standard that misinterprets the intent of Congress to reform the SSI program for children with disabilities. SSA's test would remove up to 135,000 SSI disabled children this year alone. Thus, thousands of severely disabled children would face a loss of needed SSI benefits—contrary to the will of Congress.

I believe the Social Security Administration should establish a comprehensive functional test at a stricter severity level than the former individualized functional assessment test, but one that does not harm children with serious disabilities. A test protecting children with severely disabling conditions—including those with one marked and one moderate condition—would accurately reflect the intent of Congress. The administration has estimated this test would terminate 45,000 children this year, and close to 250,000 over 6 years.

Mr. President, I have already heard from constituents in my State of Vermont whose children will soon lose their SSI benefits. These families have nowhere else to turn. Such predicaments present troubling moral and budgetary questions—how to provide for those families who are shut off from desperately needed SSI benefits, and whether these regulations will simply shift the costs of providing for children with disabilities from SSI to other Federal entitlement programs, or to the States as communities react to these troubling cases. Such cost shifting would eliminate any significant savings gained. Additionally, the loss of SSI benefits will force families to move their children to costly out-of-home placement, as parents would no longer have the financial support to stay at home and care for the disabled child.

This is a matter that I will be pursuing with the Administration with the intent of reconciling the Administration's interpretation with the regulations passed by Congress during the welfare debate last fall.

WELFARE-TO-WORK GRANT PROGRAM

Mr. HARKIN. The pending legislation provides $3 billion to establish a Welfare-To-Work Program and specifies the activities for which the funding may be used. The list of allowable activities does not allow assistance for education or training activities with the exception of on-the-job-training.

Mr. ROTH. That is correct.

Mr. HARKIN. Over the past several years I have met with a number of welfare recipients, caseworkers and others to discuss the issue of welfare reform in the State of Iowa. The discussions have also included a number of individuals who have successfully made the transition from welfare to self-sufficient employment. In many cases, the key to this successful transition was participation in post-secondary classroom training. I understand that the pending legislation prohibits use of the Welfare-To-Work Programs funds for this purpose but want to clarify that States may continue to use Federal funds received under the temporary Assistance for Needy Families Program or their own resources for post-secondary classroom training.

Mr. ROTH. The Senator is correct. TANF does have some restrictions on vocational education activities, however States may use these funds or their own State funds for the education and training activities described by the Senator.

Mr. HARKIN. I thank the Senator for making that clear. I have another question.

The Welfare-To-Work Program provides formula grants to States and requires States to develop a formula for distribution of the funds within the State in consultation with sub-State areas. However, it is not clear what types of entities are eligible to provide the welfare-to-work services and that States have flexibility on this score.

In 1989, Iowa established 11 Family Development and Self-Sufficiency Programs to work with welfare recipients with a history of long-term dependency on the program and those who were at risk of long term dependency. These projects, 10 at nonprofit organizations, have been evaluated and have demonstrated success in moving welfare recipients off of welfare and into self-sufficient employment. In addition, a number of community action agencies and community development corporations have also been working with welfare recipients on exactly the kind of activities envisioned by the pending legislation.

I just want to make sure that a State may provide funding from the Welfare-To-Work Program to entities such as community action agencies, community development corporations and other nonprofit organizations.

Mr. ROTH. That is correct. States may provide funding to these types of organizations.

Mr. HARKIN. I thank the Senator.

Mr. GRAMS. Mr. President, when Congress and the President reached agreement on the broad outlines of plan to balance the Federal budget, I had hoped that I could stand before the Senate during debate on the reconciliation legislation and proudly announce my full support. It is with deep regret, Mr. President, that I cannot. After careful examination of S. 947, the Balanced Budget Act of 1997, I have come

to the conclusion that this legislation is good for Washington but bad for the taxpayers, and because it is not in the best interests of the working Americans we represent, I must reluctantly oppose it. Here are the major grounds on which I base my decision.

As I have said in previous statements before this Chamber, I have made the pursuit of a balanced budget my top priority in Congress, and have always said that I would support a budget plan that meets three specific criteria: First, it must shrink the size and scope of Government and return money—and the power those dollars represent—to the taxpayers; second, it must balance the budget by the year 2002 with steadily declining deficits each year without the use of rosy economic scenarios; and third, it must provide meaningful, broad-based tax relief to working families.

Tax relief, of course, will be dealt with in the other half of the reconciliation package. While there are many good provisions included in the bill, this so-call spending reduction legislation still fails to meet those pro-taxpayer standards.

First and foremost, like the budget agreement on which this reconciliation legislation is based, this bill does not shrink Government and return power to the taxpayers. In fact, it does the opposite; it increases mandatory spending. In the next 5 years, total mandatory spending would increase from $825 billion in 1997 to $1.1 trillion in 2002, a growth of 32 percent. Over the next five years, Medicare will increase at a rate of 6.1 percent and Medicaid will increase nearly 7 percent each year from the inflated baseline. Instead of eliminating wasteful spending to reduce the Federal deficit, this budget plan actually creates numerous new programs, including $34 billion in new entitlement programs funded by the taxpayers' hard-earned dollars.

In doing so, the plan has erased all of the savings achieved in last year's landmark welfare reform legislation. The reconciliation legislation includes about $24 billion in spending for new children's health care initiatives, while adding back $14.2 billion in welfare benefits for legal aliens and food stamp recipients.

Under this legislation, the Federal Government will spend $1.2 trillion on welfare alone over the next 5 years. That is $15 billion higher than the CBO projected. Of every dollar collected by the IRS, 14 cents goes to welfare programs, with less than 1 cent dedicated to tax relief for working families.

The fundamental flaw of the bill and the major source of my opposition to it is the new entitlement programs it creates. Such spending is a serious mistake at a time when we should control the explosive growth of mandatory spending and reduce the size of the Federal Government. History tells us that earlier entitlement programs started small, with perhaps the best of intentions, but have since exploded and now consume about 70 percent of all Federal revenues. To my disappointment, Washington has still not learned its lesson.

Second, Mr. President, despite some positive changes, including structure changes in Medicare, the entitlement programs remain intact. This not only breaks our promise to the American people on fundamental entitlement restructuring, but also ensures that big Government lives on by allowing Washington to avoid the hard choices it must make to address our long-term fiscal imbalances.

Without fundamental changes, the imbalance between the Government's entitlement promises and the funds it will have available to pay for them will eventually shatter our economy. In its recent report, ''Long-Term Budgetary Pressures and Policy Options,'' the Congressional Budget Office warns us that if these long-term budgetary pressures are not relieved, Federal budget deficits would mount and could seriously erode future economic growth. The Federal deficit would increase from 1.4 percent of GDP, or $107 billion today to 30 percent of GDP in 2035, nearly $11 trillion. The debt held by the public would increase from 50 percent of GDP, or $3.9 trillion in 1996 to 250 percent of GDP, $91 trillion in 2035. Such rapid growth of the Federal debt and deficit will bankrupt this great Nation.

This gloomy picture has been confirmed by the recently released report of the Social Security and Medicare boards of trustees. Without clear changes in public policy to address the financial imbalance, the hospital insurance fund, one of the Medicare trust funds, will be bankrupt in just 4 years. The Medicare trust fund will run a deficit of $13 billion this year. By 2001, it will run a deficit of $49 billion and go broke. The disability insurance trust fund will be bankrupt in 2015, and Social Security trust funds will be bankrupt in 2029. And we do not have any clear and agreed public policy to address this imbalance.

Although the proponents of the legislation claim that it will avert the crisis of Medicare bankruptcy until 2007, the fix is temporary and is no more than tinkering with the system. Accounting gimmicks are also applied to extend the life of Medicare. It shifts home health care from part A to part B and use the general account to cover the deficits of the trust fund. This means a surge of new spending in Medicare in the future that taxpayers will be obligated to fund.

Third, unlike the Balanced Budget Act produced by the Republican Congress in 1996, this Balanced Budget Act does not result in steadily declining deficits, because the savings are achieved not through honest accounting but through rosy economic scenarios. Although this legislation claims over $117 billion savings in Medicare and $8 billion in Medicaid, all of the spending cuts result from a baseline projection of Government spending in which programs are assumed to grow according to such factors as the rate of inflation, population growth, and formulas written into the law.

Any honest budget plan must reach balance through steadily declining deficits every year; in other words, the deficit must be lower each year than the preceding one. This 5-year budget agreement actually increases the deficit for the first 2 years, then projects enough of a reduction in the final 2 years to reach balance. The deficit under this budget will go up by $23 billion next year, from $67 billion this year to $90 billion, and remain as high as $90 billion in 1999. Over 70 percent of the deficit reduction will not occur until after President Clinton leaves the White House. A significant percentage of the plan's deficit reduction results from optimistic economic assumptions, not sound policy changes.

A budget plan must also be based on real numbers and not the inflated budget estimates that have been used in the past to justify more spending and higher taxes. This budget agreement fails on that score as well by continuing to use the inflated budget estimates of the past to mask the spending increases it contains. I cannot support a budget that uses such gimmicks simply to make the numbers add up on paper.

In its analysis of the budget, the Heritage Foundation concluded that ''a credible plan to balance the Federal budget must result in a smaller Government that costs less and leaves much more money in the pockets of working Americans. The current reconciliation bill not only fails these important tests, but in many cases would implement policies that are worse than taking no action at all.''

Our current sound economic growth has reduced the budget deficit to a 17-year low without any fiscal constrains and reforms. We should use this historic opportunity to balance the budget in less than 5 years, start to pay back our $5.4 trillion national debt, and address our long-term fiscal imbalances. Unfortunately, we have once again missed this opportunity.

Mr. President, under the legislation before us, Washington will spend more of the taxpayers' hard-earned dollars creating new entitlement programs, while expanding old programs just to please the big-spending politicians and the special interest groups they feed. That is not the budget the taxpayers of Minnesota are expecting. That is not the budget Congress owes America's working families. But that is the budget Washington claims is the right answer. I regret that I do not agree, and cannot therefore support the spending portion of the budget reconciliation legislation.

AMENDMENT NO. 445

Mr. SPECTER. Mr. President, I would like to take this opportunity to explain my vote in opposition to the motion to waive the Budget Act for

consideration of the substitute amendment offered by Senator REED.

To its credit, the Reed substitute did not contain the Medicare home health care/copayment language or the 65–67 Medicare age eligibility language in the reported bill. I voted against both of those provisions on independent votes yesterday and continue to be concerned about their inclusion in S. 947.

Notwithstanding those elements of the Reed amendment, I could not support it because it failed to include an important provision or medical savings accounts for Medicare beneficiaries.

EXEMPTION FROM AUCTIONS FOR PUBLIC SAFETY RADIO SERVICES AND ALLOCATION OF SPECTRUM FOR PUBLIC SAFETY AND PUBLIC SERVICE ENTITIES

Mr. BRYAN. Mr. President, I rise in support of the proposal to ensure that sufficient radio spectrum is made available for public safety and maintenance of the Nation's critical infrastructure, such as pipeline, railroad, and electric, gas and water utility services. With the success of spectrum auctions for commercial radio services, the FCC has been reluctant to allocate sufficient spectrum for these vital services. This legislation will expand the FCC's authority to auction spectrum, but not at the expense of entities that we have entrusted to protect the safety of life, health and property and to provide essential public services.

In adopting rules for the use of this new spectrum, I hope the FCC will promote the development of shared public safety/public service radio systems. In Nevada, it was recognized several years ago that it would be prohibitively expensive for any one public safety agency or public service utility to build and maintain a state-of-the-art 2-way radio system to cover this vast territory and provide the service features these various agencies need. Several key public service and public safety organizations took the initiative to pool their resources to build a system that would share backbone infrastructure, such as mountaintop repeater sites and radio frequencies. Through software partitioning, each user has its own discreet and secure virtual private network on this shared infrastructure. The parties first had to secure waivers of the FCC's rules so that nongovernment entities could share public safety frequencies on a not-for-profit basis. Initial system users include the Nevada Department of Transportation, University of Nevada law enforcement personnel, City of North Las Vegas, Sierra Pacific Power Company, and the Nevada Power Company. Other utilities and state and local government agencies are also looking to partner in the system, which currently covers more than half of the State's geography.

Shared public safety/public safety radio networks such as the one we have pioneered in Nevada have many advantages: First, joint use of a system is a spectrally efficient; second, during disasters and emergencies, there is a great need for interoperability between emergency response agencies and public service utilities that is easily accommodated on the shared system; third, equipment can be loaned from one entity to another on an as-needed basis during specific emergencies or special situations; fourth, other agencies and utilities can be added to the system without system duplication of facilities; fifth, smaller, rural agencies can access state-of-the-art technology that would otherwise be beyond their reach; and sixth, taxpayer and utility ratepayer costs can be significantly reduced.

Does the Senator from Arizona agree that these shared public safety/public service radio networks should be promoted?

Mr. MCCAIN. Yes, I agree. I would also like to offer my support for the allocation of new spectrum for use by public safety and public service organizations, and would urge the FCC to adopt rules that would facilitate, if not promote, the development of shared radio systems by such entities. I also know that Senators STEVENS, LOTT, and BURNS have been very concerned and involved in this issue. I look forward to working with them and Senator BRYAN to ensure that the Commission takes such action as necessary to deal with this subject and I am also hopeful that we can, if needed, clarify any problem with this language in conference.

WHAT IS RIGHT FOR MEDICARE

Mr. DORGAN. Mr. President, the votes on this reconciliation bill included two votes on spending cuts in the Medicare Program. The two controversial amendments dealt with increasing the eligibility age for Medicare from age 65 to 67 and income-testing of Medicare for upper income beneficiaries.

I support the change that will result in substantial savings through reduction of Medicare reimbursements to providers. I also agree with other changes that will improve and streamline the program.

However, I voted against the proposal included in the Committee's bill which would increase the eligibility age from 65 to 67 and the proposal to impose a means-test for higher-income beneficiaries.

I am willing to consider supporting both of these proposals under the right conditions, which I will describe below but I think it is inappropriate to be making Medicare cuts on the spending side of reconciliation in order to make room for larger tax cuts on the revenue side of reconciliation.

Whatever changes are made in Medicare should be made exclusively and specifically for the purpose of extending the solvency of Medicare—not for the purpose of providing additional room for tax cuts, the bulk of which are proposed to go to upper income earners in the United States. We must look at the right ways to keep Medicare solvent without breaking faith with the country's senior citizens.

Asking senior citizens who make more than $50,000 to pay higher prices for their Medicare policies so that investors who make $500,000 can be given tax cuts seems inappropriate to me. There's no denying a direct connection when the Medicare proposals are made in the context of a reconciliation bill that includes spending and taxing. The act of achieving Medicare savings then becomes intertwined with the desire for tax cuts on the revenue side.

The reconciliation bill specifically calls for a commission to make recommendations on long term changes necessary to ensure the solvency of the Medicare Program. I support that and I hope that such a commission will be established quickly and will ultimately result in solid recommendations which the Congress can then act on quickly.

When we are able to look at recommendations which are developed specifically for the purpose of extending Medicare solvency, then I am willing to consider changes to Medicare, including means-testing and/or increasing the eligibility age under the following conditions.

First, with respect to increasing the eligibility age, if and when we do that, we must be prepared to respond to the question of what happens to those senior citizens whose incomes are inadequate to pay the higher cost of private health care insurance between age 65 and 67 when they would no longer be covered. Changing the eligibility age from 65 to 67 without providing some mechanism to provide for the availability of affordable insurance coverage for the citizens in that age group would simply mean we have millions more uninsured Americans. Low income senior citizens between the ages of 65 and 67 will never be able to afford the kind of premiums that will be assessed by the health care industry to insure people of that age. So, the eligibility age increase cannot simply be considered on its own as it was in the reconciliation bill. Nor can it be argued that the increase in the eligibility age parallels the increase in the social security retirement age. The ramifications are very different for increasing the medicare eligibility age.

Second, with respect to means-testing or income-testing, as it is called, I am willing to support means-testing for Medicare, but again, only on the condition that the means-testing itself is done for the purpose of extending the solvency of Medicare and not part of a reconciliation bill that is designed to cut spending in a way that will accommodate additional tax cuts.

The temptation is too great for those in Congress who never supported the Medicare bill in the first place. It is a concern of mine that the proposed changes to Medicare in this bill are there not for the purpose of increasing the solvency of Medicare, but rather are there to accommodate tax cuts for upper income Americans. This, in my judgement, undercuts the Medicare Program.

AMENDMENT NO. 428

Mr. MCCAIN. Mr. President, I am proud to have cosponsored amendment No. 428, which will significantly reduce fraud, abuse, and waste in the Medicare system. This is an issue which I have been working on for many years and I am pleased to have been joined in this battle to combat fraud and abuse in our health care system by my colleague from Iowa, Senator TOM HARKIN.

This important amendment introduced by Senator HARKIN incorporates portions of my legislation, the Medicare Whistleblower Act S. 235, which would assist Medicare beneficiaries with identifying provider fraud in the Medicare system.

Over and over again, I have heard from seniors about their personal experiences with fraudulent and negligent billings throughout the Medicare Program. Many of these seniors say that their Medicare bills frequently include charges for medical services which they never received, double billings for a specific treatment, or charges which are disproportionate and severely marked up. Usually, most of these seniors have no idea what Medicare is being billed on their behalf, and they have no way to obtain a detailed explanation from the Medicare providers.

These personal stories from senior citizens are confirmed by analyses and detailed studies. According to the General Accounting office, fraud and abuse in our Nation's health care system costs taxpayers as much as $100 billion each year. Medicare fraud alone costs about $17 billion per year which is about 10 percent of the program's costs.

This is quite disconcerting, especially in light of the financial problems facing our Medicare system.

A fundamental problem with the Medicare system is that most beneficiaries are not concerned with the costs of the program because the Government is responsible for them. One of my constituents shared with me an experience he had when his provider double-billed Medicare for his treatment and the provider told him not to be concerned about it because ''Medicare is paying the bill.'' This is an outrage and we cannot allow this flagrant abuse of taxpayer dollars to continue. Remember, when Medicare overpays, we all over-pay, and costs to beneficiaries and the taxpayers spiral while the financial sustainability of the program is violated.

The amendment addresses this fundamental problem in the Medicare program by strengthening the procedures for detecting and identifying fraud and waste in the Medicare system. Beneficiaries would be given the right to request and receive a written itemized copy of their medical bill from their Medicare health care provider. This itemized bill should be provided to the beneficiary within 30 days of the provider's receipt of their request. If anyone knowingly fails to provides a beneficiary with an itemized bill they will be subject to a civil fine. Once the beneficiary receives the itemized bill they would have 90 days to report any inappropriate billings to Medicare. The Medicare intermediaries and carriers would then have to review the bills and determine whether an inappropriate payment has been made and what amount should be reimbursed to the Medicare system.

I recognize that provider fraud is not the sole source of waste and abuse in the Medicare system, and I wholeheartedly support other initiatives which address beneficiary fraud. However, studies indicate that provider fraud is most prevalent and the greatest concern for the system, making initiatives such as this one which specifically target provider fraud very important.

It is imperative that we put an end to the rampant abuse and fraud in the Medicare system. I wholeheartedly believe that this provision would contribute significantly to this effort.

Mr. LIEBERMAN. Mr. President, the reconciliation bill contains provisions that impact most of the programs and services provided by the Federal Government. Few people in the United States are not touched in some way by the changes we have voted for during this debate. I would like to touch upon just a few of the provisions.

The bill includes significant progress toward protecting the Medicare Program. Without the changes included in this legislation, the Medicare trust fund would go bankrupt in 2001. The changes include the first major structural changes to Medicare in its 30-year history. The Senate bill modernizes Medicare by offering seniors the option of choosing from among a range of quality private health plans in addition to existing fee-for-service Medicare. It includes important new health insurance coverage for the Nation's children. It returns a degree of protection for people who live and work in our country, but because of foreign birth are not citizens of the United States.

The bill makes substantial advances in ensuring that Medicare and Medicaid beneficiaries can get comparative information to help them choose the best available health care plan for their needs. An amendment I sponsored with Senators CHAFEE, JEFFORDS, KERREY, BREAUX, WYDEN, and KENNEDY requires that includes comparative information on benefits, cost sharing, premiums, service area, quality and performance including disenrollment, satisfaction, health process and outcomes, grievance procedures, supplemental benefits, and physician reimbursement method be provided to Medicaid recipients in managed care. In many cases, Medicaid managed care plans have significant differences in the treatment of asthma, immunization, heart disease, diabetes, and other problems endemic to the Medicaid population. This amendment should assist Medicaid beneficiaries in choosing high-quality plans, and through competition among plans, increase the quality of all.

The bill also included an important demonstration program for Medicare based on the Government's own employee health care plan. That demonstration program includes provisions to improve the quality of health care for Americans based on a bill I sponsored, S. 795, the Federal Health Care Quality, Consumer Information and Protection Act.

The dramatic drive of millions of people into managed care was all geared toward stopping unacceptable cost increases in healthcare. Now cost increases have slowed and it is time to focus on quality. Congress has made some initial, spasmodic efforts, such as last year's drive-through delivery legislation. The health care quality provisions in this demonstration program represents an effort to take a more comprehensive and durable approach to improving health care quality.

The Government has a powerful tool we think has gone unused—its purchasing power. The Federal Government is the single biggest purchaser of health care in the country. If we use that purchasing power wisely, the quality of health care in the country will be pulled upward dramatically. If we don't, the Federal Government will drag down the efforts the private sector is making to improve their employee's quality of health care.

If the bill passes, the Government will only purchase Medicare coverage in this demonstration program that satisfies two requirements:

First, plans will have to provide information that allows people to make straightforward plan-to-plan comparisons of health care quality. With that information, Medicare beneficiaries could look up the plans in their area to see which had the best record of care for the elderly. Empowering consumers with comparative quality information would force health care plans to compete continuously and aggressively on quality resulting in ongoing health care improvements.

Second, all health care plans in the demonstration would have to meet certain minimum criteria or they couldn't be purchased by the Federal Government. Setting uniform federal criteria provides a powerful tool to address quality issues that emerge from the rapidly evolving health care industry. Existing accrediting agencies like the National Committee on Quality Assurance for Quality Assurance [NCQA] or the Joint Commission on Accreditation of Healthcare Organizations [JCAHO] could be licensed to certify that the health care plans are in compliance with the minimum criteria which should minimize bureaucratic duplication.

Finally, to hold this proposed system together and prevent the standards from becoming outdated, an Office of Competition is created within the U.S. Department of Health and Human

Services. The Director of the Office of Competition will set and update the basic requirements for comparative data and minimum criteria. They will also work out a formula to pay for value. High quality plans will get paid slightly more than low quality plans.

The Director will draw on the expertise already developed by large private purchasers and coordinate with them in improving the purchasing requirements over time.

The stakes are high. This year over $1 trillion, almost one-seventh of the economy, will go toward health care services. Purchasers, both private and public, need to demand quality from the health care marketplace. Today you can identify a good stereo, a good car, or a good shampoo. But, you can't get the most basic information about the quality of your healthcare. That lack of information on health care quality is no longer acceptable, it can be fixed, and the Government should join the best corporate purchasers in the repair effort.

I am deeply concerned about one aspect of the Medicare package that is included in this budget reconciliation bill. The Senate Finance Committee has enacted a series of reforms that would dramatically change the methodology by which payments are made to Medicare managed care plans as well as the new plans envisioned in the bill. This new payment structure would result in a redistribution of Medicare resources that is very beneficial to areas that have low health care costs and very damaging to areas where the delivery of health care services is much more costly.

In my home State of Connecticut, seniors in four of our eight counties would suffer from Medicare managed care payments that, under this bill, would decline by more than 20 percent relative to current law. Don't misunderstand—I support actions to keep the Medicare trust fund solvent. But these reformulations don't just produce savings—they fundamentally shift expenditures from high cost to low cost areas. In one Connecticut county, this legislation would extract 57 times more savings from seniors enrolled in managed care than would the House Ways and Means Committee bill, which achieves similar savings. These are sobering figures—and they do not even take into account the impact of the bill's risk adjustment mechanism, which would automatically reduce Medicare payments by an additional 5 percent for all new managed care enrollees in their first year of enrollment.

This legislation over-reaches in seeking to achieve a greater measure of geographic equity in the Medicare payment system. Instead of making the modest adjustments that are needed to improve the fairness of the current system, this bill calls for sweeping reforms that would disrupt the coverage of many seniors in order to help others.

Tragically, many of those who would be hurt the most are low-income seniors who already have selected Medicare managed care plans because they need the additional benefits—such as prescription drug coverage, and dental and vision care—and the low out-of-pocket costs that many of these plans offer. These low-income seniors cannot afford to expose themselves to the high deductibles and copayments of the Medicare fee-for-service system, nor can they afford to purchase an expensive supplemental Medigap policy.

As I consider this issue, I think about the many areas in Connecticut that have suffered from economic downturns in recent years and, even today, are not enjoying the strong economic growth that is evident throughout much of the country. Seniors in these areas are particularly vulnerable. Considering that a disproportionate number of Medicare managed care enrollees are low-income seniors, I believe we should proceed carefully as we contemplate reforms that affect their coverage. For many of these seniors, a reduction in their Medicare benefits would cause severe financial hardship.

I want to emphasize that I have no desire to be involved in any contest that pits the Medicare beneficiaries of Connecticut against those of Iowa, Nebraska or any other State. I completely support the expansion of new health care choices to all seniors, regardless of where they live. I am convinced, however, that this can be accomplished without awarding 60-percent payment increases for certain low-cost areas—many of which tend to be sparsely populated—at the expense of other areas where large numbers of seniors are already enrolled in private health plan options. The number of seniors who would be penalized by this shortsighted approach far exceeds the number who would benefit.

I strongly believe that a more cautious, thoughtful approach is warranted. For example, a 70/30 blend between local and national payment rates would go a long ways toward eliminating the disparities that currently exist—without causing massive cuts in certain areas. In addition, a minimum annual update for all plans, combined with some kind of link between growth in fee-for-service spending and managed care spending, would help to assure that the resources available to Medicare managed care plans do not fall hopelessly behind the growth in medical inflation. It is totally unrealistic to think that we can allow payments to decrease in certain areas—while actual costs are increasing by 5 or 6 percent annually—without having any adverse affect on seniors.

As we move forward with Medicare reform, we need to acknowledge that it is, in fact, more costly to serve Medicare beneficiaries in some areas of the country than others. There are legitimate reasons why it costs more to deliver health care services in densely populated urban areas. The wages of medical personnel and the capital costs of medical facilities differ considerably from region to region and from State to State. Even within individual States, medical costs vary from county to county. To discount this economic reality, as this legislation does, is sheer folly.

Perhaps the most troublesome component of this Medicare payment proposal is the new enrollee risk adjustment mechanism. This provision arbitrarily and automatically reduces Medicare payments by 5 percent for all new managed care enrollees—regardless of their age or health status—in their first year of enrollment. I have serious concerns about the implications of this proposal. How are we supposed to promote competition within the Medicare Program if we begin by saying that everyone who leaves the fee-for-service system will be subject to a 5 percent penalty? This new enrollee tax will limit beneficiary choice by discouraging health plans from entering markets in which seniors do not have private health plan options at this time. Everyone in this chamber should be deeply alarmed by this misguided provision.

Having given this Medicare payment proposal an honest and thoughtful evaluation, I am convinced that we should work toward a more sensible and well-reasoned approach when this legislation is considered in the Senate-House conference committee. I want to state very clearly that I do not have a problem with the amount of Medicare savings this legislation would achieve; I just believe we have an obligation to achieve these savings in ways that do not disrupt the coverage of seniors. I urge my colleagues to join me in calling for a new approach.

AMENDMENT NO. 460

Mr. MCCAIN. Mr. President, I am proud to have offered an amendment to the budget reconciliation package which provides incentives for States with expanding access to health care coverage under the Medicaid system to devise innovative and cost effective programs. This amendment is important to any State interested in best serving the health care needs of its people.

My amendment authorizes the continuation of a State's Medicaid managed care program operating under a section 1115 waiver. States would have the option of requesting an automatic extension of their waiver program for 3 years or permanently continuing their waiver managed care program if it has successfully operated for at least 5 years and has demonstrated an ability to successfully contain costs and provide access to health care.

In addition, this amendment allows these same States to utilize their own resources to revise their programs and expand coverage, while reducing both State and Federal costs.

The amendment will assist States in expanding health care coverage to their most vulnerable populations. This is something Congress has spent a great deal of time talking about during this session of Congress in terms of

children. But children are not the only ones for whom health coverage is a priority. There are still millions of people in this country who live below the poverty line who do not have coverage. Unfortunately, we often forget about these individuals.

Several States have led the way in innovation for expanding coverage through cost containment: Tennessee, Oregon, Rhode Island, Hawaii, and Arizona. My home State, Arizona, was the first to recognize that improved quality, better access and reduced costs could be achieved through the appropriate use of managed care as an integrated approach to health care for low income people.

These States have summoned the political will and marshaled their State resources to improve their health care programs while reducing both State and Federal costs. Many new States are now following the examples set by the pioneers and have filed statewide section 1115 waiver requests to move their programs into managed care.

In Arizona, 72 percent of the voters decided last fall that health care should be available to everyone under the poverty line. Arizona already covers children up to 133 percent over the poverty line. This means Arizona decided to cover the 50,000 men and women without children who live under the poverty line. This is their only hope of health care coverage.

Unfortunately, the administration has recently erected additional barriers to Arizona's initiative. In spite of the substantial savings documented by Health Care Financing Administration [HCFA] evaluators since the program began in 1982, more than enough to offset the cost of expanding coverage, the administration would not allow Arizona to reinvest these savings it achieved over a traditional fee-for-service program in expanded coverage. Nor will HCFA allow the State credit for their program's expected savings over the next 5 years.

States like Arizona which have successfully been operating under an 1115 Medicaid waiver should not be penalized for a change in Federal guidelines which occurred after the program began. No one is questioning whether these States have saved the Federal Government millions. Arizona, Tennessee, Hawaii, Rhode Island, and any other State with such a proven track record, should be allowed to use the managed care savings it achieved over a traditional fee-for-service program to expand coverage for their most vulnerable populations.

This important amendment assists States in providing access to health care for the most vulnerable populations.

MEDICAL RESEARCH

Mr. HARKIN. Mr. President, I would like to submit for the RECORD some of the many letters I have received in support of Senator D'AMATO's and my amendment to S. 947, the Balanced Budget Act of 1997, to create a medical research fund. These letters show the widespread grassroots support for this amendment which would expand support for medical research above and beyond what is currently being done at the National Institutes of Health [NIH].

The people behind these letters understand what many recent studies have demonstrated—that investments in medical research can both save lives and lower Medicare costs through the development of more cost-effective treatments and by delaying the onset of illness. They understand that while health care spending devours nearly $1 trillion annually, the United States devotes less than 2 percent of its total health care budget to health research. These letters are from people that understand the importance of increased funding for biomedical research. I ask unanimous consent that these letters in support of the medical research amendment be submitted for the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

Thank you.

AMERICAN ASSOCIATION FOR CANCER RESEARCH, INC.,
Philadelphia, PA, June 25, 1997.

Hon. TOM HARKIN,
Hon. AL D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. TOM DASCHLE,
Hon. BARBARA BOXER,
Hon. JAY ROCKEFELLER.

DEAR SENATORS: Bluntly, while debate rages over the budget, 1 mother, father, brother, sister or friend dies every 57 seconds in this country from cancer.

On behalf of the 14,000 cancer researchers searching for treatments, cures and prevention weapons in this country and the 1.3 million people who get cancer every year, we urge you on in your quest to find more funding for research and education!

The medical research amendment you are proposing is essential to continue to find resources to support the growing underfunded research programs at the NIH.

It is essential amendments like this pass to support all of our efforts to build a healthy America.

Sincerely,

DONALD S. COFFEY, Ph.D.,
President.

PARKINSON'S ACTION NETWORK,
Santa Rosa, CA June 25, 1997.

Hon. TOM HARKIN,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. ALFONSE D'AMATO,
Hon. JOHN D. ROCKEFELLER,
Hon. BARBARA BOXER,
Hon. TOM DASCHLE.

DEAR SENATORS: Thank you for your efforts to increase funds provided to the National Institutes of Health through the creation of a Health Research Fund.

A million Americans suffer from Parkinson's disease, a neurological disorder that causes increasing tremor, stiffness and slowness of movement, eventually leaving us unable to move or speak. I have lived with Parkinson's for ten years, watching Parkinson's increasingly disable me, and seeing others like former Congressman Mo Udall lose the battle to the point of total immobility. The human suffering that results from Parkinson's is immense and incalculable, but this condition also produces a fiscal nightmare: Parkinson's is estimated to cost at least $25 billion a year in medical care, disability benefits, assisted living and lost productivity. The cost is so high because we typically live in a disabled state for a long time, and the battle against less of function is ongoing and expensive.

Meanwhile, there is immense scientific promise, with Parkinson's described by scientists as ''one of the brightest spots in brain research.'' Nonetheless, the research is in slow motion, stymied by inadequate funding: the federal research budget for Parkinson's totals only about $30 million or $30 per American afflicted. The current federal policy on Parkinson's wastes billions in public and private dollars coping with the effects of the disease, when millions of dollars could be put toward finding a cure.

The Congress is moving toward a dramatic reversal in this policy, by support for the Udall Parkinson's Research bill, which would authorize $100 million to adequately invest in this research. The bill is co-sponsored by 57 Senators and 202 Congressmembers, and we expect to see it enacted very soon. This momentum could be derailed by the present allocation for health programs in the 1998 budget agreement. If not corrected this year in appropriations for the National Institutes of Health, the present funding disparity almost surely will continue, leaving the human and fiscal nightmare to go on unabated.

Your amendment can fix this funding problem, return fiscal sanity to this policy, and give hope to our struggling and desperate community today.

Thank you from the bottom of our hearts for your efforts.

Sincerely,

JOAN I. SAMUELSON,
President, Parkinson's Action Network.

CYSTIC FIBROSIS FOUNDATION,
Bethesda, MD, June 25, 1997.

Hon. THOMAS HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. THOMAS DASCHLE,
Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER.

DEAR SENATORS, Today, there are more than 30,000 children and young adults in the United States suffering as a result of cystic fibrosis. There is a way to stop this—Medical Research.

Your amendment is vital to the support of finding treatments and ultimately the cure for this devastating disease.

Just at a time when there are so many possible breakthroughs, grants cannot be funded, contracts are not given, clinical trials go unfunded, and education programs do not begin.

As a nation, as parents, we simply cannot let nearly 80 percent of our research opportunities slip away or be delayed.

The one approved program that we do not fund may hold the cure.

Sincerely yours,

ROBERT J. BEALL, Ph.D.,
President and CEO.

RESEARCH SOCIETY ON ALCOHOLISM,
Austin, TX, June 24, 1997.

Hon. TOM HARKIN, Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER, Hon. CONNIE MACK,
Hon. TOM DASCHLE, Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER,
U.S. Senate,
Washington, DC.

DEAR SENATORS: On behalf of the 1,100 members of the Research Society on Alcoholism, I am writing to unequivocally support the Medical Research Amendment. The

Research Society on Alcoholism is a professional research society whose members conduct basic, clinical, and psychosocial research on alcoholism and alcohol abuse.

Alcoholism is a tragedy that touches all Americans. One in ten Americans will suffer from alcoholism or alcohol abuse. It's cost to the nation is nearly $100 billion annually. Research holds the promise of developing effective methods for the prevention and treatment of this far reaching disease.

The Medical Research Amendment is an answer to the problem of desperately needed research funds. An investment of this type will create the ability for the National Institutes of Health to fund grant applications that will lead to advancements in all areas of health research. At this time of unprecedented opportunities in alcohol research, this amendment provides much needed assistance.

Thank you for your support of the research community. Please do not hesitate to contact me if I can be of assistance in any way.

Sincerely,

IVAN DIAMOND, Ph.D.,
President.

COLLEGE ON PROBLEMS OF DRUG DEPENDENCE, INC.,
Richmond, VA, June 24, 1997.

Hon. TOM HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. TOM DASCHLE,
Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER,
U.S. Senate, Washington, DC.

DEAR SENATORS: The College on Problems of Drug Dependence (CPDD) is the leading scientific society in the field of drug abuse. On behalf of our nationwide membership I am writing to lend our support to the Medical Research Amendment. Our commitment to research advances and their positive implication for the future is strengthened by this amendment and its commitment to the research community.

An estimated 30 million Americans suffer from drug and alcohol addiction. Alarmingly, of the 59 million women of child bearing age, nearly 5 million are using illicit drugs such as marijuana, cocaine, and heroin. Economically, drug and alcohol abuse cost this country more than $1600 billion annually. Research is the answer to understanding this complex and devastating problem.

The Medical Research Amendment is the answer to a long standing problem facing the United States, the undervalued commodity of research. Research can provide us with the elusive answers to questions of addiction, drug abuse, and treatment. This amendment is an investment in the future of America and not just the National Institutes of Health.

Thank you for your support of research and its advances. Please do not hesitate to contact me if I can be of assistance in the future.

Sincerely,

ROBERT L. BALSTER, Ph.D.,
Public Policy Officer.

COLLEGE OF PHYSICIANS & SURGEONS OF COLUMBIA UNIVERSITY,
New York, NY, June 25, 1997.

Hon. ALFONSE D'AMATO,
U.S. Senate, Hart Senate Office Building, Washington, DC.
Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATORS AL AND TOM: On behalf of Columbia University College of Physicians and Surgeons, I wish to express our support for the amendment offered by Senators D'Amato, Harkin, Specter, and Mack to provide additional funds over appropriated amounts for the National Institutes of Health that is being offered to the Budget Reconciliation Bill.

Current amounts for NIH are truly insufficient to fulfill the objectives of NIH and the promise of biomedical research. We have the opportunity to find the genetic basis of disease and cures for illnesses such as Parkinson's, cancer, diabetes, and others that afflict millions of Americans. The contributions potentially offered by this amendment will save millions of lives and billions of dollars.

Support for biomedical research is one of the most important investments Congress can make in the health and welfare of our citizens. All of us in academic medicine thank you for your leadership and vision.

Sincerely,

HERBERT PARDES, M.D.,
Vice President for Health Sciences, and Dean of the Faculty of Medicine.

THE NATIONAL COALITION FOR CANCER RESEARCH,
Washington, DC, June 25, 1997.

Hon. TOM HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. JOHN D. ROCKEFELLER,
Hon. BARBARA BOXER,
Hon. TOM DASCHLE,
U.S. Senate,
Washington, DC.

DEAR SENATORS: The 55,000 cancer researchers, nurses, physicians, and health care workers, tens of thousands of cancer survivors and their families; 40,000 children with cancer and their families, 82 cancer hospitals and cancer centers across the country, and more than 2 million volunteers who make up the National Coalition for Cancer Research commend your medical research amendment to the fiscal year 1998 Senate Reconciliation Bill.

It is the Coalition's central conviction that the solution to the complex problems surrounding cancer—the reduction in morbidity, mortality, and the high costs of medical care—will come in a stepwise manner from the generation of new knowledge through research. Additional federal support for cancer research as provided by your Health Research Fund will abet the human and financial costs of cancer.

We must remember that despite the declining death rates of the past few years, in the United States, men have a 1 in 2 lifetime risk of developing cancer, and women have a 1 in 3 risk. Cancer is still the second leading cause of death and is expected to be the leading cause of death by the turn of the century. The direct costs of health care services to cancer patients is currently estimated at more than $104 billion annually and is increasing each year. The generation of new knowledge through research into the molecular events involved in the cause and progression of cancer should lead to increasingly effective means of protection and treatment, the only means to stop the spread of disease, and curtail these costs.

The Coalition recognizes that the Congress is pressed with securing savings in the Medicare and Medicaid programs, and applauds your attention to the need to invest in biomedical research to stop the spread of diseases which cause long term care costs. The Coalition commends your amendment which secures additional resources for biomedical research because, without doubt, research is the gateway to progress against cancer.

Thank you for seizing this opportunity now to do something of utmost importance for our country.

Sincerely,

ALBERT H. OWENS, Jr.,
President.

NATIONAL DOWN SYNDROME SOCIETY,
New York, NY, June 25, 1997.

Hon. TOM HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. THOMAS DASCHLE,
Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER.

DEAR SENATORS: One in every 800 children is born with Down Syndrome and there are over 350,000 people with this condition in the U.S. today. It is the most commonly occurring chromosomal abnormality, resulting when an individual possesses three, rather than usual two, copies of the 21st chromosome.

Medical research supported by the National Institutes of Health is our only hope in developing better therapeutics to treat those individuals who have Down syndrome and to help us better understand the causes of this disease so we can one day prevent it from occurring. The National Down Syndrome Society has just entered a historic public-private research initiative with the National Institutes of Child Health and Human Development to examine behavior and cognitive development of individuals with Down syndrome. This project is an important first step in increasing our understanding of this disease.

Thank you for your efforts and commitment to ensuring the longterm viability of our medical research infrastructure. We support your efforts to establish a National Fund for Health Research to ensure the NIH has the resources necessary to continue to advance medical science in the United States.

Sincerely,

MYRA E. MADNICK,
Executive Director.

ALLIANCE FOR AGING RESEARCH,
Washington, DC, June 25, 1997.

Hon. TOM HARKIN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HARKIN: The Alliance for Aging Research, an independent not-for-profit organization working to improve the health and independence of older Americans, applauds and strongly supports an amendment to establish a National Fund for Health Research. We understand this fund would be established in the Treasury to expand support for medical research through the National Institutes of Health.

As you know, the Alliance has consistently made the case that the most effective means to achieve savings in Medicare and Medicaid is by improving the health status of older Americans. The most effective long-term strategy is to advance biomedical research and to apply what we learn to improved geriatric health management and prevention of chronic disease. Studies released this year from Duke University show a steady decline in chronic disability since the 1980s among this nation's older population, saving Medicare billions of dollars.

In a special report presented by the Alliance to the White House Conference on Aging, we stated that by postponing physical dependency for older Americans by just one month would save the nation $5 billion a year in health care and nursing home costs. Postponing the onset of Alzheimer's Disease by just five years would, in time, save $50 billion a year in health care costs. And a

five-year delay in the onset of cardiovascular disease could save an estimated $69 billion a year.

Your amendment would be a first step toward fulfilling the commitment made by the Senate through the Mack Sense of the Senate calling for a doubling of the NIH in the next five years. We understand this would in no way take the place of the Congressional appropriations to the NIH.

Unless we discover better ways to treat, prevent or postpone diseases of aging, the costs to the nation will grow exponentially in the decades ahead. Again, I commend you and your colleagues invaluable support for a strong national investment in medical research.

Best regards,

DANIEL PERRY,
Executive Director.

AUTISM SOCIETY OF AMERICA,
Bethesda, MD, June 25, 1997.

Hon. TOM HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. THOMAS DASCHLE,
Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER.

DEAR SENATORS: I am writing on behalf of the Autism Society of America to support your amendment to establish a National Fund for Health Research with additional savings that may result from changes made by the Balanced Budget Act which exceed the savings called for in the Budget Resolution. As the amount of discretionary funds available for medical research funding continues to shrink, we must find other ways to ensure that our research infrastructure is maintained.

Autism is a developmental disability that typically appears during the first three years of life. It is believed to be a genetically-based neurological disorder that affects more than 400,000 individuals in the United States, making it the third most prevalent developmental disability. Autism is four times more prevalent in boys than girls, and knows no racial, ethnic nor social boundaries. Family income, lifestyle, and educational levels do not affect the chance of autism's occurrence. The estimated health care cost associated with autism is greater than $13 billion a year.

At the present time, there is no prevention, treatment, or cure for autism. Our only hope in better understanding autism is through research. NIH is embarking on many exciting research endeavors focused on autism. In fact, NIH Director Harold Varmus has said numerous times that the time is right for autism research—we now have the tools to help us begin to unlock the mysteries of this disorder.

We appreciate your commitment to identify an additional source of funding for medical research and for giving individuals with autism the hope that through research we will find a treatment and cure.

Sincerely,

SANDRA H. KOWNACKI,
President.

DEPRESSIVE AND MANIC-DEPRESSIVE ASSOCIATION,
Chicago, IL, June 25, 1997.

Hon. TOM HARKIN,
Hon. ALFONSE D'AMATO,
Hon. ARLEN SPECTER,
Hon. CONNIE MACK,
Hon. THOMAS DASCHLE,
Hon. BARBARA BOXER,
Hon. JOHN ROCKEFELLER.

DEAR SENATORS: Medical Research is critical to individuals suffering for depressive illnesses. On behalf of the more than 65,000 members of the National Depressive and Manic-Depressive Association I am writing to support your amendment to establish a National fund for Health Research.

Depressive illnesses are treatable diseases. Without the research advances we have seen over the last 20 years, many individuals suffering from depressive illnesses would not have the opportunities they have today to participate as contributing members of our society. New therapeutics which have been developed through research are giving them this chance.

In any given year, 17.4 million American adults have some form of depressive illness such as major depression, bipolar disorder, or chronic, moderate depression. These conditions account for more than $148 billion in direct health care costs, and indirect costs. Such as lost work days for patients and care givers. Investments in biomedical and behavioral research on mental disorders are imperative for preventing and treating these debilitating illnesses and controlling the costs associated with them.

Thank you for your efforts to expand our national commitment to medical research!

Sincerely,

LYDIA LEWIS,
Executive Director.

Mr. BIDEN. Mr. President, this budget bill—which would put us on a path to eliminating the budget deficit in the year 2002—contains numerous reforms of the Medicare program. In addition, the bill would restore short-term solvency to Part A of Medicare—the part that pays hospital bills and will otherwise be bankrupt in four years. I have no objection to most of the Medicare reform provisions, and I will vote for this bill overall.

However, I want to talk briefly about two provisions that I oppose and explain why I voted to take them out of this bill.

First, Mr. President, this bill would raise the age at which a person becomes eligible for Medicare from the current age 65 to age 67. I voted to keep the eligibility age at 65. While this increase would be gradual and would be phased in over the next 30 years—so it would not affect any current seniors—I think it moves us in the wrong direction. What we should be doing is making sure that more, not fewer, people have health insurance.

Changing the current law so that today's workers will have to wait until they are 66 or 67 before they become eligible for Medicare threatens to add millions of people to the rolls of the uninsured. It is my understanding that 70 percent of Americans who retire between the ages of 60 and 65 will have no health insurance through their employers. If they have health insurance at all, they are paying exorbitant rates to buy it on their own.

Increasing the eligibility age for Medicare by 2 years would leave most of these people unprotected for 2 more years. This result is totally counter to why we created Medicare in the first place: To make sure that older Americans have access to health care services when they are likely to need it the most. Raising the eligibility age for Medicare without addressing the issue of those who will lose—or those who will continue not to have—health insurance is a glaring gap in this proposal.

Now, it has been argued by supporters of this change that because the Social Security retirement age will gradually increase to age 67, the eligibility age for Medicare should increase at the same time. But, Mr. President, there is no rational basis for linking Social Security and Medicare. They are two separate and distinct programs. If it is good policy to raise the Medicare eligibility age to 67—which I do not think it is at this time—then those arguments need to be presented. It is not good enough simply to say, ''Well, that's what we're doing with Social Security.'' And, I should note, that even when the Social Security retirement age increases, people will still have the option of early retirement at age 62. That is not the case with Medicare. It is all or nothing. And, we should not tell people between 65 and 67 that they get nothing.

The second provision that I opposed would have—for the first time—imposed means testing on higher income seniors. Under the plan, the monthly premiums for Medicare part B, which pays for doctor services, would have been based on how much income a person has. Now, I have long said that I believe it is not unfair or inappropriate to have wealthy seniors pay more for their Medicare coverage. So I support means testing in principle. But I am not sure that the means testing scheme in this bill is either fair or appropriate—and I think we ought to be sure of both before we make such a significant change in this program.

This legislation was just drafted last week. Until noon yesterday—Tuesday—this bill would have charged wealthier seniors higher deductibles under part B. But, then at midday, just a couple of hours before we voted on this issue, the bill was changed so that retirees with greater income would pay higher premiums, not higher deductibles. The fact that this last minute change was made just exemplifies the problem of trying to address this issue with haste.

The premium increases in this budget bill are very substantial, and they would hit individuals with incomes over $50,000 and couples with incomes over $75,000. But we really do not know yet what the effect of these increases would be on these families, or on the Medicare system itself. This is why we need to proceed with greater caution.

What we do in this budget bill—and what we must do—is what we have done many times in the last 30 years: Make the changes necessary to ensure the solvency of the Medicare Hospital Trust Fund over the next 10 years. To address the long-term concerns once the baby boom generation reaches retirement age, I have previously called for the establishment of a bipartisan commission to study the situation and make recommendations. This bill establishes just such a commission, and instructs it to report back to Congress in a year.

My point is that neither the increase in the Medicare eligibility age nor means testing are necessary to solve the short-term financial problems of the Medicare system. Instead, these are issues that the new commission should look at. In making significant changes to the Medicare program—among the most successful Federal programs ever—we need to do so with great thoughtfulness and deliberation.

These changes have no immediate impact on the Medicare trust fund or on our general goal of balancing the overall Federal budget by 2002. In short, there is no reason why we cannot wait until we have the benefit of the recommendations of the bipartisan commission—within the next year—before we take action of this nature. That is why I supported taking these changes out of the budget bill, and why I supported Senator REED's alternative Medicare proposal to make only those changes needed to make sure that Medicare remains financially solvent.

MEDICARE PROVISIONS

Mr. MCCAIN. Mr. President, the Senate took several difficult votes in the last two days related to Medicare reform. After carefully considering each of the amendments offered in the Senate, I cast my vote in favor of preserving and protecting the long-term solvency of the Medicare system.

I voted for an amendment to eliminate the bill's provisions which would require means testing of Medicare premiums. I also voted for an amendment which would have simply delayed the implementation of premium means testing until the year 2000. I believe it is foolish to hastily make such a drastic change as this without the benefit of an indepth study of the entire Medicare Program. Unfortunately, both of these amendments failed.

I am concerned about the bill's provisions which would delay the eligibility age for Medicare to 67 from the current age of 65. However, the bill would not implement this change until the year 2003, which will not affect current beneficiaries and, I believe, will allow us to assess this change within the context of a larger study of the program.

The bill does establish a bipartisan commission to study the entire Medicare Program and make recommendations for the changes necessary to keep the program solvent beyond the year 2001, which is when the trustees have reported the program will be bankrupt. I believe we should wait for the commission's recommendations before enacting any fundamental changes to the program. However, I felt it was important to show a willingness to consider taking a first step toward long-term structural changes in order to give impetus to the commission's work.

The budget reconciliation bill before the Senate contains many key provisions to expand benefits under Medicare and incorporate choice and competition into the current program. For example, the bill authorizes Medicare coverage of mammography screening, colorectal screening, bone mass measurement, and diabetes management. It also creates a Medicare Choice Program and a demonstration program for medical savings accounts for seniors. It contains provisions designed to eliminate waste and fraud in the Medicare system which could result in significant savings. These are improvements to Medicare for which I have fought for many years.

I believe firmly that our priority must remain protecting the Medicare system from bankruptcy by the year 2001, and I will continue to work toward that goal.

AMENDMENT NO. 482

Mr. LEVIN. Mr. President, the Levin-Jeffords amendment increases from 12 to 24 months the limit on the amount of vocational education training that a State can count toward meeting its work requirement under the new Temporary Assistance for Needy Families Program. Under the old welfare law, recipients could attend postsecondary vocational education training for up to 24 months. I strongly support the new law's emphasis on moving welfare recipients more quickly into jobs, but I am troubled by the law's restriction on vocational education training, limiting it to 12 months. Two-year community college study, for instance, would not meet the requirement.

Mr. President, the limitation on postsecondary education training raises a number of concerns, not the least of which is whether persons may be forced into low-paying, short-term employment that will lead them back onto public assistance because they are unable to support their families.

Study after study indicates that short-term training programs raise the income of workers only marginally, while completion of at least a 2-year associate degree has greater potential of breaking the cycle of poverty for welfare recipients. According to the U.S. Census Bureau, the median earnings of adults with an associate degree are 30 percent higher than adults with only a high school diploma or its recognized equivalent.

Mr. President, let me just give some examples. The following are jobs that a person could prepare for in a two-year community college program and the salary range generally applicable to the positions:

NATIONWIDE

Accounting, $14,000–$28,000.
Computer technician, $14,000–$31,000.
Law enforcement, $13,500–$25,000.
Dental hygiene, $18,000–$60,000.
Respiratory therapy tech, $21,000–$32,000.

MICHIGAN

Computer programing, $24,800–$42,900.
Radiology technician, $22.235–$32.425.
Legal assistant, $28,630–$30,000.
Child care development (supervisor), $23,590–$29,724.
Registered nurse, $24,400–$38,135.

Mr. President, the National Governors Association recognizes the merits of this amendment and has called for its passage. I urge my colleagues to support it because it will help us reach the new law's intended goal of getting families permanently off of welfare and onto self-sufficiency.

In closing, I ask unanimous consent to have printed in the RECORD two articles that are relevant to this issue which appeared in the February 17, 1997, USA Today and the June 1, 1996, New York Times.

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

[From USA Today, Feb. 17, 1997]

COLLEGE OFF LIMITS IN WELFARE PLAN

(By John Ritter)

States rushing to get welfare recipients off the rolls and into jobs are telling some college students on public assistance to drop out and find work.

Under the old welfare system, recipients of cash grants could go to school full-time. The new law, with its emphasis on moving welfare recipients quickly into jobs, restricts educational options.

Short-term job training and a year of vocational education are approved ''work activities'' under the new federal law, passed last year, but regular college and community college study are not.

So even as President Clinton preaches education as the route to prosperity, welfare reform is forcing recipients—predominantly single mothers—to forsake school for low-paying jobs.

States must put bigger proportions of their welfare caseloads to work—25% this year, 50% by 2002—or lose funds.

''The emphasis has shifted from how can we retrain people or pick up where their education left off to how can we move them into work,'' says Elaine Ryan of the American Public Welfare Association.

By one estimate, as many as 700,000 single parents on welfare are enrolled in higher education and training.

In California, 125,000 welfare recipients attend community colleges. The City University of New York system has 20,500 welfare students.

Schools already are lobbying state legislatures to find ways to keep these students and their tuition reimbursements.

But prospects are not bright.

[From the New York Times, June 1, 1996]

WORKFARE RULES CAUSE ENROLLMENT TO FALL, CUNY SAYS

(By Karen W. Orenson)

New rules introduced by New York City Mayor Rudolph Giuliani's administration that require all welfare recipients to work have led thousands of students to drop out of college or not enroll, according to officials at the City University of New York. The decline in enrollment is significant, CUNY officials say, because studies show that college gives people on welfare a good chance to get better jobs at higher pay.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me take 1 minute, and then we are going to final passage. I want to thank everybody for their cooperation. Under a very difficult process and procedure, I think we did very well. On a number of issues, there was great bipartisan support. I thank those on the other side of the aisle who have supported this overall package, and I hope the vote is overwhelming. Tonight we complete

the first step of three legs. The three legs are to get the deficit down by reducing spending; second is for us to get a good tax bill for all Americans; third is to do the appropriations bills in a manner that is consistent with the agreement and which doesn't violate the Budget Act.

I believe this is a historic beginning, and I am very pleased to be part of it. I thank everyone here for their role. I thank all eight committees that assumed their burden and produced their reconciliation package. Mostly, I thank Senator ROTH, the chairman of the Finance Committee, and Senator MOYNIHAN, his Democratic manager, and all those on the Finance Committee who worked to produce a bipartisan bill.

The lesson learned is that we can get things done that are difficult but good for the American people in a bipartisan way if we just work at it. I believe the best example we have of that is the Finance Committee this year. All the other committees had lesser responsibilities, but they provided their savings without rancor and with almost unanimity and, if not, a unanimity of spirit. I believe there is no process that would have let us in the U.S. Senate get this much work done. If this bill were freestanding and the tax bill were freestanding without the protections of the Budget Act, I just ask you to dream about what might happen. First, I think each bill could take 4 or 5 weeks, I think the amendments could run into the hundreds, and the bill could look like something completely different by the time we finished than what we started with. So we take some bad with the good in this difficult process called the reconciliation bill.

I thank the ranking member of the Budget Committee not only for the work here on the floor, but actually as we moved through the last 3½ months, Senator LAUTENBERG has been very good to work with, and we produced a good package, which will show up here in a bipartisan vote tonight. I thank the Senator. We produced a good bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I will be brief. I sense that everybody would like to hear a long speech, but I am going to disappoint them. I just want to say, Mr. President, that I, too, enjoyed my work with the distinguished chairman of the Budget Committee. We managed to resolve all of our problems without too much dispute, without any confrontation. There wasn't a moment that we walked out on anything. This reconciliation bill is consistent with that. We did, as it was appropriately noted, rush through some things. But that does not at all, in my view, suggest that we rushed through and didn't have the appropriate knowledge or review of the items that we were processing.

I thought it was a job very well done. I must say, if we didn't have some time constraint on this, Heaven knows how long we would all be here. We would see summer come and go and we would still be debating.

Again, I enjoyed the process and my first time at bat with the Budget Committee in the position that I have. I thoroughly enjoyed it. I hope that Senator DOMENICI will, as my ranking member in the not-too-distant future, also enjoy it. I promise to be cooperative.

I want to thank the staff of the Policy Committee, but particularly my senior staff here—Bruce King, Sander Lurie, Nell Mays, Marty Morris, Amy Abraham, John Cahill, Jodi Grant, Matt Greenwald, Phil Karsting, Sue Nelson, Jon Rosenwasser, Jim Klumpner, and Mitch Warren—who did a terrific job, as I know Bill Hoagland and his team did. I won't go through the names, but I will say that I have gotten to know them and respect them and admire the work they have done. I thank everybody for their cooperation, particularly my colleagues on this side.

Mr. DOMENICI. Mr. President, Senator GRAMM would like 30 seconds.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I have heard a lot of people speak in my 13 years in the Senate, but I don't think I have ever seen anybody do a better job of taking complicated issues and explaining them in a very short time as Senator DOMENICI has done in the last 2 days. I think we have made history on this bill, and I think the Senator from New Mexico has been a very important part of that.

Mr. DOMENICI. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 27, as follows:

[Rollcall Vote No. 130 Leg.]

YEAS—73

Abraham	Chafee	Feingold
Allard	Cleland	Feinstein
Ashcroft	Coats	Ford
Baucus	Cochran	Frist
Bennett	Collins	Glenn
Biden	Conrad	Gorton
Bond	Coverdell	Graham
Breaux	Craig	Gramm
Brownback	D'Amato	Grassley
Bryan	DeWine	Gregg
Burns	Domenici	Hagel
Campbell	Enzi	Hatch
Hutchinson	Mack	Shelby
Hutchison	McCain	Smith (NH)
Inhofe	McConnell	Smith (OR)
Jeffords	Moseley-Braun	Snowe
Kempthorne	Moynihan	Specter
Kerrey	Murkowski	Stevens
Kohl	Nickles	Thomas
Kyl	Robb	Thompson
Landrieu	Roberts	Thurmond
Leahy	Rockefeller	Warner
Lieberman	Roth	Wyden
Lott	Santorum	
Lugar	Sessions	

NAYS—27

Akaka	Faircloth	Lautenberg
Bingaman	Grams	Levin
Boxer	Harkin	Mikulski
Bumpers	Helms	Murray
Byrd	Hollings	Reed
Daschle	Inouye	Reid
Dodd	Johnson	Sarbanes
Dorgan	Kennedy	Torricelli
Durbin	Kerry	Wellstone

The bill (S. 947), as amended, was passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. ROTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, in my opening statement, I thanked my good friend and colleague, Senator MOYNIHAN, my colleague on the Finance Committee, and our staff for their excellent work. I would be remiss, however, if I failed to conclude without again expressing my appreciation for these diligent professionals—men and women who work into the wee, wee hours, late nights, early mornings, and weekends to help us craft a bill that could find the kind of success that this has found on the Senate floor.

I would like to particularly thank the following majority and minority staff of the Finance Committee who worked so hard on this bill, including Lindy Paull, Frank Polk, Julie James, Dennis Smith, Gioia Bonmartini, Alexander Vachon, Dee Dee Spitznagel, Joan Woodward, Brig Gulya, Mark Patterson, David Podoff, Faye Drummond, Kristen Testa, Doug Steiger, Rick Werner, and Rakesh Singh.

Again, I am grateful for the outstanding work that they did. And I believe that it merits the thanks and gratitude of all of us.

REVENUE RECONCILIATION ACT OF 1997

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of S. 949, the Tax Fairness Act.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

A bill (S. 949) to provide revenue reconciliation pursuant to section 104(b) of the concurrent resolution on the budget for fiscal year 1998.