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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. PEASE).

NOTICE

If the 106th Congress, 1st Session, adjourns sine die on or before November 10, 1999, a final issue of the Congressional Record for the 106th Congress, 1st Session, will be published on November 30, 1999, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT-60 or S-123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through November 29. The final issue will be dated November 30, 1999, and will be delivered on Wednesday, December 1, 1999.

If the 106th Congress does not adjourn until a later date in 1999, the final issue will be printed at a date to be announced.

None of the material printed in the final issue of the Congressional Record may contain subject matter, or relate to any event that occurred after the sine die date.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman*.

NOTICE

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MICHAEL F. DiMARIO, *Public Printer*.

This symbol represents the time of day during the House proceedings, e.g., 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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H11565

DESIGNATION OF THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
November 5, 1999.

I hereby appoint the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Teach us, gracious God, that wherever we are, whatever we do, we will live with the spirit of gratitude for Your many blessings to us, and with appreciation for the colleagues and friends who surround us.

Remind us each day, O God, that since You have created the world and breathed into every woman and man the very breath of life, we should look upon others with tolerance and respect.

Open our eyes to see a vision of Your majesty, give us strong hands to work for justice, and may our hearts know Your peace and Your love. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3122. An act to permit the enrollment in the House of Representatives Child Care Center of children of Federal employees who are not employees of the legislative branch.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 225. An act to provide Federal housing assistance to Native Hawaiians.

S. 438. An act to provide for the settlement of the water rights claims of the Chippewa Cree Tribe of the Rocky Boy's Reservation, and for other purposes.

S. 720. An act to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and for other purposes.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes.

S. 1753. An act to amend the Immigration and Nationality Act to provide that an adopted alien who is less than 18 years of age may be considered a child under such act if adopted with or after a sibling who is a child under such act.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System".

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 468) "An Act to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public."

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 5 one-minute requests pro side.

ERGONOMIC STANDARDS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, if one is an employer, what are the eight most dreaded words in the English language? "I am from OSHA and I am here to help." Recently the Occupational Safety and Health Administration said, we know enough to act now. We want to issue sweeping new and punitive ergonomic standards. OSHA plans to finalize its standards in the coming weeks unless Congress intervenes.

Mr. Speaker, it is time for Congress to intervene. OSHA refuses to wait for the results of the National Academy of Sciences study on the issue, a study which Congress recommended and funded in 1998. OSHA's regulations would impact nearly every industry, cost employers millions of dollars, and result in substantial increases in worker compensation costs due to the pro-

posed 100 percent replacement of wages and benefits. These facts might very well have been uncovered by the National Academy of Sciences, but OSHA would not wait.

Mr. Speaker, along with dreaded words come dreaded policies and arrogance. I yield back the balance of my time and any common sense left at OSHA.

ON THE ANNIVERSARY OF THE
FALL OF THE BERLIN WALL,
AND THE PRICE OF FREEDOM

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, this week we celebrate the 224th birthday of the United States Marine Corps, and also we mark the anniversary of the tearing down of the Berlin Wall. These two events have a lot to do with each other. If we think of all of the wondrous things that have happened over the past 10 years, the collapse of the Communist system in Eastern Europe, the tearing down of the Berlin Wall, the break-up of the Soviet Union into individual democratic republics, we cannot help but reach the conclusion that freedom is not free. We paid a tremendous price for it.

I believe that we should remember every day that had it not been for the men and women who wore the uniform of the United States military through the years, we would not have the privilege of going around bragging about how we live in the freest and most open democracy on the face of the Earth.

So today when I think of these two great events, I give thanks to all of those who made the supreme sacrifice, and all of those who wore the uniform of the United States military. I start this day as I do every day, thanking God for my life and veterans for my way of life.

IN SUPPORT OF H.R. 3075, THE
MEDICARE BALANCED BUDGET
REFINEMENT ACT

(Mr. RYAN of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today in support of the Balanced Budget Refinement Act, H.R. 3075. This bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 under the Balanced Budget Act.

In the district that I serve, two Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting on this subject with the beneficiaries, with the Medicare+Choice providers, and with the government. The response was overwhelming.

Some of the beneficiaries decided that they were not going to lose without a fight. Joyce Scantling of Racine, Wisconsin, has worked tirelessly on this issue. Together with 50 or 60 seniors and beneficiaries, they have rallied support around Medicare legislation to fix these reimbursement rates.

I hold in my hand right here thousands of signatures from Wisconsin's seniors and Medicare beneficiaries urging Congress to pass Medicare legislation to fix these reimbursement rates.

THE EPA HAS GOTTEN OUT OF HAND

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in 1995, the EPA came crying to Congress saying they needed more money to clean up our air and our water and our Superfund sites. Shortly after that appeal for cash, records show that the EPA gave a \$160,000 grant to facilitate wind energy technologies in China. Unbelievable. While American taxpayers are busting their buns to pay the bill around here, the EPA gave our hard-earned taxpayer dollars for projects in China.

Mr. Speaker, this is out of hand. Electric bicycle technology, wind energy technology, American taxpayer dollars? The EPA should be handcuffed. Beam me up. I yield back all the flatulence in China paid for by the EPA.

WHEN WILL THE REPUBLICANS RESPOND TO AMERICA'S DEMAND FOR HMO REFORM?

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, when the House passed a few weeks ago the HMO reform bill, we thought our day had finally come. But this week we learned that the vote was really only the first step. The Republican leadership appointed the conference committee to negotiate with the Senate with only one member who voted for HMO reform.

Instead of responding to the needs of the American people, the Republican leadership has chosen a path to ignore the will of the majority of this House and the needs of the American people.

This week's Newsweek magazine cover story talks about it: HMO Hell. How much longer does the Republican leadership intend to keep American families living in this HMO hell?

The bipartisan bill that passed this House overwhelmingly would provide for no gag rules, direct access to specialists, a binding external appeals process, access to emergency care, but also the accountability of that decisionmaker.

Let us see if we can make them hear, if not this year then next year. We want to get out of HMO hell.

CONGRATULATIONS TO MORNING EDITION ON ITS 20TH ANNIVERSARY

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, it is not often that I regret having not been included in a party here in town, but after having finished the financial modernization bill late last night and then about 1 o'clock this morning joining with my colleagues as we filed the rule which the gentleman from Florida (Mr. DIAZ-BALART) is going to be managing in just a few minutes, I woke up this morning and listened to National Public Radio, and there was a great party that was going on celebrating the 20th anniversary of a program called Morning Edition, which has provided us with a great deal of grist for debate and argument here on the House floor for the last couple of decades.

We are marking all kinds of anniversaries. My friend, the gentleman from New York (Mr. MCNULTY) just talked about the fact that yesterday was the 224th anniversary of the United States Marine Corps. We are about to mark the 10th anniversary of the crumbling of the Berlin Wall. One of the stories on Morning Edition this morning consisted of the death of Nicolae Ceausescu a decade ago, so we are marking a lot of anniversaries.

I would just like to throw in the fact that as a Republican who listens to National Public Radio, I congratulate Morning Edition on their 20th.

PROVIDING FOR CONSIDERATION OF H.R. 3196, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 362 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 362

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Young of Florida or his designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent; and (3) one

motion to recommit with or without instructions.

SEC. 2. House Resolution 359 is laid on the table.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 362 is a structured rule providing for the consideration of H.R. 3196, the foreign operations appropriations bill for fiscal year 2000. The bill provides for 1 hour of debate in the House, equally divided between the chairman and the ranking minority member of the Committee on Appropriations.

The rule provides that the bill shall be considered as having been read for amendment. Further, the rule provides that the amendment printed in the Committee on Rules report, if offered by the gentleman from Florida (Mr. YOUNG) or his designee shall be in order without intervention of any point of order or demand for a division of the question.

The amendment shall be considered as read, shall be separately debatable for the time specified in the report, which is 20 minutes, with time equally divided and controlled by the proponent and an opponent.

Also, the rule provides for one motion to recommit, with or without instructions. Finally, the rule provides that House Resolution 359 is laid on the table.

Mr. Speaker, the President vetoed H.R. 2606 on October 18. Since that time, very serious negotiations have taken place between the Congress and the administration to address the concerns raised in the President's veto message.

The bill which this rule brings forth, H.R. 3196, is very similar to the conference agreement on H.R. 2606, with some provisions added to make this bill one that can pass both the House, the Senate, and be signed by the President.

The main difference between today's bill and the vetoed bill are modifications of legislative language or earmarked funding within accounts. The rule allows for an amendment to be offered by the gentleman from Florida (Chairman YOUNG) or his designee which would fully fund, for example, the Wye River Accord, the President's request for the Wye River Accord, which is extremely important and which will go very far in assuring the security of Israel, by providing \$1.8 billion approximately for that purpose.

I want to thank the gentleman from Florida (Chairman YOUNG), the gentleman from Alabama (Chairman CALLAHAN), the ranking member, the gentleman from Wisconsin (Mr. OBEY), and

the ranking member, the gentlewoman from California (Ms. PELOSI), and all of the Members who are working so hard in this issue. They are working in such good faith, and really in an admirable way. I want to congratulate them and urge my colleagues to adopt both the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is what we would call a restrictive rule. It will allow consideration of H.R. 3196, which is a bill that makes appropriations for foreign aid and export assistance in fiscal year 2000.

As my colleague, the gentleman from Florida (Mr. DIAZ-BALART) has explained, this rule provides for 1 hour of general debate, to be divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. This is the second foreign operations appropriation that the House is considering because the first was vetoed.

□ 0915

This bill makes a number of positive changes from the first bill. The rule for the bill is highly restrictive and it will not allow Members to offer floor amendments to improve the bill, except for one amendment by the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

The new bill, with the Young amendment, fully funds the President's request to implement the Wye River Agreement between Israel, Jordan and the Palestinian Authority. This will help, we think, bring peace to the Middle East.

The amended bill provides an additional \$150 million to the International Development Association of the World Bank. This offers interest-free, long-term loans to the world's poorest countries. The amended bill also includes \$10 million more than the original bill for the Peace Corps, and while the resulting total is still less than the President's request it is a welcome improvement for this most important tool of American diplomacy.

The bill also restores \$90 million for bilateral debt relief. The 41 most indebted poor countries in the world owe a total of about \$220 billion to foreign governments, such as the United States and to multilateral agencies such as the World Bank.

In some countries, the debt is staggering. For example, in Nicaragua, the debt for every man, woman and child is \$2,000, in a country where the average yearly income is only \$390.

This crushing debt is diverting valuable resources from health care, education and basic living conditions, and without debt relief many of these countries will be permanently locked into hopeless poverty.

Debt relief is the humane moral course. However, it is also in our own

self-interest. Wiping out the debt can improve world stability and maintains incentives to protect the environment and to increase markets for U.S. products.

Debt relief is supported by a broad coalition of religious, humanitarian and civic organizations. Unfortunately, this revised bill does not provide a U.S. contribution to the highly indebted poor countries initiative trust fund. We need to support this fund if we want to provide more complete debt relief.

Mr. Speaker, while not perfect, the bill we are about to take up does contain welcome improvements to the version the President vetoed, and though the rule was overly restrictive I understand the need to move forward quickly and pass this important bill.

Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for yielding me the time.

Mr. Speaker, let me say that the bill that we are considering today is a far more responsible vehicle than the bill that the President vetoed just a few days ago. When the President vetoed that legislation, he indicated that he felt that it represented an absolutely inadequate response to both our international responsibilities and our national interests, and he asked that a number of actions be taken that would significantly improve the bill. To a significant degree they have in this bill, with the addition of the amendment that will be offered by my good friend, the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

First and foremost, when this bill left the House and the Senate and when it was vetoed by the President, it had no funding for the Middle East Wye Accords. The President had indicated he would not sign a bill until the Wye funding was included. We felt that since Israel had met its commitments under the Wye agreement, the United States ought to meet our commitments. This bill will do that, and I think the President is delighted with it. I know I am.

I think that people on both sides of the aisle who care about the United States meeting our responsibilities in that very sensitive region of the world will recognize that this is a very good investment for America, because it will help move the peace process forward in that region to a final resolution.

In addition to that, there is \$799 million in additional funding for various accounts in the bill that had not been present initially. There is increased funding to deal with the threat reduction problem associated with nuclear weapons in the former Soviet Union. That is a very important addition, a welcome addition.

We cannot just recognize our responsibilities in the Middle East. We also need to recognize the treacherous

issues that still remain between us and the former Soviet Union, and this will help do that.

In addition, we have obviously both interests and responsibilities in our own hemisphere. What this proposal will do is to increase our responsiveness on both of those matters by providing additional funding for the community adjustment investment program at the NAD Bank, which will help stabilize conditions on our borders between the United States and our southern neighbors.

In addition, there is, as has been indicated by the gentleman from Ohio (Mr. HALL), significant funding for bilateral African debt reduction. That is a moral imperative and it is very much in the interest of the United States, and what it really does is simply recognize the uncollectability of these debts.

I should point out that in two previous administrations, in the Reagan administration and the Bush administration, 35 times this amount of debt was forgiven, for Poland, for Israel, for Eastern Europe, for Egypt.

What this does is to provide the same actions for the most destitute countries, and we think that is a useful addition.

In addition, there is additional funding for the economic support fund, which the President insisted on getting, and he was right to do that.

So I think this bill is a much more constructive response than we had with the original bill.

We still have some problems, however, that have to be faced squarely. There are a number of drafting errors in the bill which are going to have to be corrected as this bill moves to the Senate. I also think there is at least one significant misunderstanding between the parties on an issue that has to be cleared up, and in addition to that the administration still is going to pursue, as we move this bill to the Senate and to conference, they are still going to pursue an effort to also include multilateral debt relief authority because if we do not do that we would be in the anomalous position of having American taxpayers finance debt relief for Africa without using our ability to leverage other countries in the world to do the same thing.

That would not be a wise decision if we are interested in seeing to it that we have rational burden-sharing between the American taxpayer and the taxpayers of other countries.

Dealing with our share of that debt write-down, which is about 3 percent, we do not want to lose the opportunity to leverage the other part of the world in meeting its responsibility for 97 percent of the action that needs to be taken. So in that sense, this bill is still short-sighted and needs to be corrected as we move through the process.

I hope that we will be able to do that by assuring that what multilateral debt write-down does take place, takes place on the basis of standards defined by the United States Congress and not by the IMF.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Wisconsin (Mr. OBEY), the gentlewoman from California (Ms. PELOSI), the gentleman from Florida (Mr. YOUNG), the gentleman from Alabama (Mr. CALLAHAN), and the White House for working out this compromise. It is not a perfect bill. None of our legislation is perfect, but this is a start in the right direction, and it is a much, much improved bill over even the bill that we were contemplating on voting on yesterday.

I think that as a Member of Congress, all of us have an obligation to educate our constituency about foreign assistance. A recent poll that I saw stated that most people in this country believe that out of the total Federal budget, somewhere between 22 and 28 percent of that budget goes for foreign assistance. The fact is, that is not true. The gentleman knows that, we know that, but somewhere along the line we need to educate our constituents and tell them that the foreign aid budget that we are really talking about today is like one-half of 1 percent of the total budget.

This is an improvement and certainly has our support, most of our support over here, and it is a good compromise. There is only one other thing to do, I think, on foreign assistance. It is not part of this legislation but it is a part of the priority package. Hopefully in another piece of legislation we will be able to pay our U.N. arrears. It is the just thing to do and the right thing to do. I urge the passage of this rule and the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), my chairman, the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

Mr. Speaker, I would like to say that contrary to arguments that have been made by people on the other side of the aisle, I am a Republican who stands here very proud to be an internationalist. I am an internationalist in what I consider to be the new millennium view of that.

I think that we have seen democratic expansion take place, with a small "d," throughout the world, and we have to, as the world's only complete superpower, militarily, economically and geopolitically, we have to step up to the plate and take on our responsibility in doing that.

There is a lot of controversy that surrounds the issue of foreign aid. As my friend, the gentleman from Ohio (Mr. HALL) has just pointed out, the

American people think that a quarter of the Federal budget goes towards foreign aid when we know that, in fact, it is minuscule and, in fact, in many ways it provides tremendous benefits right here at home in the United States, and we need to understand that.

So let me say that this is, I believe, a great example of the clash of ideas, and where there has been disagreement and ultimately we have come to bipartisan agreement, there are issues with which I am not in total agreement, I join the gentleman from Ohio (Mr. HALL) in saying that I hope we will be able to pay our U.N. arrears. I think that is an important priority that we should establish.

I also want to say that I am happy we were able to work out the Wye River Accord monies, and I believe that we can address some of the remaining concerns that will come before us on the debt question that my friend, the gentleman from Wisconsin (Mr. OBEY), has raised.

So I think that we have not a perfect measure but we have one which demonstrates that bipartisanship can work, and I am very proud of the fact that even though we went very late into the night that we are here, and I hope my colleagues will support this rule which calls for a bill that, as has been said, was an improvement over what we had and it allows for 20 minutes of debate on this very important Young amendment that will be offered.

With that, I urge my colleagues to support this measure.

Mr. WELLER. Mr. Speaker, I rise in support of this rule and I also support the amendment by Mr. YOUNG to fully fund the Wye aid package for Israel, Jordan, and the Palestinians.

The United States has an obligation to support our very loyal and only democratic ally in the Middle East, Israel. We have a key responsibility to work toward long term security for Israel and the Middle East. The United States and Israel have a special relationship. Israel embodies the values and ideals of America and Americans. The democratic values and interests are shared by both democracies.

Peace in the Middle East is an issue which is personally important to me. I have traveled to Israel 3 times in my Congressional career. I have monitored Palestinian elections with Jimmy Carter and have been honored to serve as co-chair of the House Republican Israel Caucus for two sessions.

By fully funding the Wye aid package, the United States will be doing its part to promote stability in the Middle East. Israel is fully implementing the Wye River Agreement and will begin final talks with the Palestinians shortly. Israel is taking real risks for peace, and with the challenges that it will face in the coming weeks they must know that America stands with them.

Mr. YOUNG's amendment would have no net impact on the deficit in FY 2000. The outlays are offset by a reduction of \$407 million in early disbursement for Israel's regular military assistance.

Congress can play a vital role in demonstrating America's commitment to Israel and to peace in the Middle East. With this legisla-

tion, we will be giving Israel the resources it needs to achieve its long deserved peace.

Mr. Speaker, I urge my colleagues to fully support the foreign Operations Appropriations Act and vote "yes" on the amendment to fully fund the Wye aid package.

Mr. DIAZ-BALART. Mr. Speaker, I also support the rule and urge my colleagues to vote for it.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 0930

Mr. YOUNG of Florida. Mr. Speaker, pursuant to House Resolution 362, the rule just adopted, I call up the bill (H.R. 3196) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the bill is considered read for amendment.

The text of H.R. 3196 is as follows:

H.R. 3196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of the enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$759,000,000 to remain available until September 30, 2003: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until September 30, 2018 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 2000, 2001, 2002, and 2003: *Provided further*, That none of the funds appropriated by this Act or any

prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State or any agency or national thereof: *Provided further*, Public Law 106-46 is amended by striking "November 5, 1999" and inserting "March 1, 2000".

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$25,000 for official reception and representation expenses for members of the Board of Directors, \$55,000,000: *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further*, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 2000.

OVERSEAS PRIVATE INVESTMENT CORPORATION NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided*, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$35,000,000: *Provided further*, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, \$24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2000 and 2001: *Provided further*, That such sums shall remain available through fiscal year 2008 for the disbursement of direct and guaranteed loans obligated in fiscal year 2000, and through fiscal year 2009 for the disbursement of direct and guaranteed loans obligated in

fiscal year 2001: *Provided further*, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account: *Provided further*, That funds made available under this heading or in prior appropriations Acts that are available for the cost of financing under section 234 of the Foreign Assistance Act of 1961, shall be available for purposes of section 234(g) of such Act, to remain available until expended.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$44,000,000, to remain available until September 30, 2001: *Provided*, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2001, for necessary expenses under this paragraph: *Provided further*, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 2000, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, \$715,000,000, to remain available until expended: *Provided*, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to \$98,000,000 for basic education programs for children: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance for health and child survival programs, except that funds may be made available for such assistance for ongoing health programs: *Provided further*, That \$35,000,000 shall be available only for the HIV/AIDS programs requested under this heading in House Document 106-101.

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, \$1,228,000,000, to remain available until

September 30, 2001: *Provided*, That of the amount appropriated under this heading, up to \$5,000,000 may be made available for and apportioned directly to the Inter-American Foundation: *Provided further*, That of the amount appropriated under this heading, up to \$14,400,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further*, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further*, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to: (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report containing a description of such violation and the corrective action taken by the Agency: *Provided further*, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural

family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further*, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further*, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further*, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, \$2,500,000 may be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD): *Provided further*, That none of the funds appropriated under this heading may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES): *Provided further*, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further*, That of the funds appropriated under this heading not less than \$500,000 should be made available for support of the United States Telecommunications Training Institute: *Provided further*, That, of the funds appropriated by this Act for the Microenterprise Initiative (including any local currencies made available for the purposes of the Initiative), not less than one-half should be made available for programs providing loans of less than \$300 to very poor people, particularly women, or for institutional support of organizations primarily engaged in making such loans.

CYPRUS

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than \$15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicomunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

LEBANON

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than \$15,000,000 should be made available for Lebanon to be used, among other programs, for scholarships and direct support of the American educational institutions in Lebanon.

BURMA

Of the funds appropriated under the headings "Economic Support Fund" and "Development Assistance", not less than \$6,500,000 shall be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma: *Provided*, That funds made available for Burma-related activities under this heading may be made available notwithstanding any other provision of law: *Provided further*, That the provision of such funds shall be made available subject to the regular notifi-

cation procedures of the Committees on Appropriations.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government: *Provided*, That the Administrator of the Agency for International Development may, on a case-by-case basis, waive the restriction contained in this paragraph, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$175,880,000, to remain available until expended: *Provided*, That the Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to providing assistance through the Office of Transition Initiatives for a country that did not receive such assistance in fiscal year 1999.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, \$1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, \$500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds made available under this heading shall remain available until September 30, 2001.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For administrative expenses to carry out guaranteed loan programs, \$5,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

DEVELOPMENT CREDIT AUTHORITY PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, up to \$3,000,000 to be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961, as amended, and funds appropriated by this Act under the heading, "ASSISTANCE FOR EASTERN EUROPE AND THE BALTIIC STATES", to remain available until expended, as authorized by section 635 of the Foreign Assistance Act of 1961: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of

1974: *Provided further*, That for administrative expenses to carry out the direct and guaranteed loan programs, up to \$500,000 of this amount may be transferred to and merged with the appropriation for "Operating Expenses of the Agency for International Development": *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$43,837,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, \$495,000,000: *Provided*, That, none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: *Provided further*, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed \$1,000,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, \$25,000,000, to remain available until September 30, 2001, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,177,000,000, to remain available until September 30, 2001: *Provided*, That of the funds appropriated under this heading, not less than \$960,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999, whichever is later: *Provided further*, That not less than \$735,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than \$200,000,000 shall be provided as Commodity Import Program assistance: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further*, That of the funds appropriated under this heading, not less than \$150,000,000 should be made available for assistance for Jordan:

Provided further, That notwithstanding any other provision of law, not to exceed \$11,000,000 may be used to support victims of and programs related to the Holocaust: *Provided further*, That notwithstanding any other provision of law, of the funds appropriated under this heading, \$1,000,000 shall be made available to nongovernmental organizations located outside of the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country.

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, \$19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 2001.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$535,000,000, to remain available until September 30, 2001, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: *Provided*, That of the funds appropriated under this heading not less than \$150,000,000 should be made available for assistance for Kosova: *Provided further*, That of the funds made available under this heading and the headings "International Narcotics Control and Law Enforcement" and "Economic Support Fund", not to exceed \$130,000,000 shall be made available for Bosnia and Herzegovina: *Provided further*, That none of the funds made available under this heading for Kosova shall be made available until the Secretary of State certifies that the resources pledged by the United States at the upcoming Kosova donors conference and similar pledging conferences shall not exceed 15 percent of the total resources pledged by all donors: *Provided further*, That none of the funds made available under this heading for Kosova shall be made available for large scale physical infrastructure reconstruction.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the ef-

forts of United States troops to promote peace in said country.

(e) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(f) The provisions of section 532 of this Act shall apply to funds made available under subsection (e) and to funds appropriated under this heading.

(g) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1-A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, \$735,000,000, to remain available until September 30, 2001: *Provided*, That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further*, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: *Provided further*, That of the funds made available for the Southern Caucasus region, 15 percent should be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh: *Provided further*, That of the amounts appropriated under this heading not less than \$20,000,000 shall be made available solely for the Russian Far East: *Provided further*, That of the funds made available under this heading \$10,000,000 shall be made available for salaries and expenses to carry out the Russian Leadership Program enacted on May 21, 1999 (113 Stat. 93 et seq.).

(b) Of the funds appropriated under this heading, not less than \$180,000,000 should be made available for assistance for Ukraine.

(c) Of the funds appropriated under this heading, not less than 12.92 percent shall be made available for assistance for Georgia.

(d) Of the funds appropriated under this heading, not less than 12.2 percent shall be made available for assistance for Armenia.

(e) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104-201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial

Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

(f) Of the funds made available under this heading for nuclear safety activities, not to exceed 9 percent of the funds provided for any single project may be used to pay for management costs incurred by a United States national lab in administering said project.

(g) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region.

(h) Of the funds appropriated under title II of this Act not less than \$12,000,000 should be made available for assistance for Mongolia of which not less than \$6,000,000 should be made available from funds appropriated under this heading: *Provided*, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(i) (1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases and child survival activities; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(j) None of the funds appropriated under this heading may be made available for the Government of the Russian Federation, until the Secretary of State certifies to the Committees on Appropriations that: (1) Russian armed and peacekeeping forces deployed in Kosova have not established a separate sector of operational control; and (2) any Russian armed forces deployed in Kosova are operating under NATO unified command and control arrangements.

(k) Of the funds appropriated under this heading and in prior acts making appropriations for foreign operations, export financing, and related programs, not less than \$241,000,000 shall be made available for expanded nonproliferation and security cooperation programs under section 503 and 511 of the FREEDOM Support Act and section 1424 of Public Law 104-201.

(l) Of the funds appropriated under this title, not less than \$14,700,000 shall be made available for maternal and neo-natal health activities in the independent states of the former Soviet Union, of which at least 60 percent should be made available for the preventive care and treatment of mothers and infants in Russia.

INDEPENDENT AGENCY

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$235,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside

of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2001.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$285,000,000, of which \$21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided*, That of this amount not less than \$10,000,000 should be made available for Law Enforcement Training and Demand Reduction: *Provided further*, That any funds made available under this heading for anti-crime programs and activities shall be made available subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That during fiscal year 2000, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That in addition to any funds previously made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere, not less than \$5,000,000 shall be made available to establish and operate the International Law Enforcement Academy for the Western Hemisphere at the deBremmond Training Center in Roswell, New Mexico.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$625,000,000, of which \$21,000,000 shall become available for obligation on September 30, 2000, and remain available until expended: *Provided*, That not more than \$13,800,000 shall be available for administrative expenses: *Provided further*, That not less than \$60,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), \$12,500,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Act which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs

and activities, \$181,600,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided*, That the Secretary of State shall inform the Committees on Appropriations at least 20 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further*, That of this amount not to exceed \$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further*, That of the funds appropriated under this heading, \$35,000,000 should be made available for demining, clearance of unexploded ordnance, and related activities: *Provided further*, That of the funds made available for demining and related activities, not to exceed \$500,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program.

DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), \$1,500,000, to remain available until expended, which shall be available notwithstanding and other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign Assistance Act of 1961 (including up to \$1,000,000 for necessary expenses for the administration of activities carried out under these parts), and of modifying concessional credit agreements with least

developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements with any country in Sub-Saharan Africa, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461), \$33,000,000, to remain available until expended: *Provided*, That of this amount, not less than \$13,000,000 shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961: *Provided*, That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 to the extent that limitation applies to sub-Saharan African countries shall not apply to funds appropriated hereunder or previously appropriated under this heading: *Provided further*, That the authority provided by section 572 of Public Law 100-461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT
INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$50,000,000, of which up to \$1,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel: *Provided further*, That the Secretary of Defense shall submit to the Committees on Appropriations, no later than January 15, 2000, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997 and 1998.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$3,420,000,000: *Provided*, That of the funds appropriated under this heading, not less than \$1,920,000,000 shall be available for grants only for Israel, and not less than \$1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999,

whichever is later: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That of the funds appropriated by this paragraph, not less than \$75,000,000 should be available for assistance for Jordan: *Provided further*, That of the funds appropriated by this paragraph, not less than \$7,000,000 shall be made available for assistance for Tunisia: *Provided further*, That during fiscal year 2000, the President is authorized to, and shall, direct the draw-downs of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than \$4,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961 and any amount so directed shall count toward meeting the earmark in the preceding proviso: *Provided further*, That of the funds appropriated by this paragraph up to \$1,000,000 should be made available for assistance for Ecuador and shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through non-governmental and international organizations: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than \$30,495,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the pur-

chase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than \$330,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2000 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: *Provided further*, That not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall report to the Committees on Appropriations regarding the appropriate host institution to support and advance the efforts of the Defense Institute for International and Legal Studies in both legal and political education: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$78,000,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT INTERNATIONAL FINANCIAL INSTITUTIONS GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, \$35,800,000, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, \$625,000,000, to remain available until expended.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, \$4,000,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$20,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, \$25,610,667.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$1,503,718,910.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, \$13,728,263, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$672,745,205.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asia Development Bank Act, as amended, \$77,000,000, to remain available until expended, for contributions previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, \$78,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$123,237,803.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$170,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than \$5,000,000 should be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

TITLE V—GENERAL PROVISIONS OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled "International Disaster Assistance", and "United States Emergency Refugee and Migration Assistance Fund", not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act

of 1961: *Provided*, That none of the funds appropriated by title II of this Act may be transferred by the Agency for International Development directly to an international financial institution (as defined in section 533 of this Act) for the purpose of repaying a foreign country's loan obligations to such institution.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed \$5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed \$95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed \$2,000 shall be available for entertainment expenses and not to exceed \$50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed \$50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed \$2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for "Non-proliferation, Anti-terrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance

directly any assistance to any country whose duly elected head of government is deposed by military coup or decree: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 2000, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided*, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 2000.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish as-

sistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds

made available under this Act for "Child Survival and Disease Programs Fund", "Development Assistance", "International Organizations and Programs", "Trade and Development Agency", "International Narcotics Control and Law Enforcement", "Assistance for Eastern Europe and the Baltic States", "Assistance for the Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping Operations", "Operating Expenses of the Agency for International Development", "Operating Expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, Anti-terrorism, Demining and Related Programs", "Foreign Military Financing Program", "International Military Education and Training", "Peace Corps", and "Migration and Refugee Assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2001.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for assistance for a government of an Independent State of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other Independent State of the former Soviet Union, such as those violations included in the Helsinki Final Act: *Provided*, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States.

(c) None of the funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(d) Funds appropriated under the heading "Assistance for the Independent States of the Former Soviet Union" shall be subject to the regular notification procedures of the Committees on Appropriations.

(e) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(f) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(g) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the headings "Assistance for the New Independent States of the Former Soviet Union" and "Assistance for the Independent States of the Former Soviet Union", for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to con-

tractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2000, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, "program, project, and activity" shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND DISEASE PREVENTION
ACTIVITIES

SEC. 522. Up to \$10,000,000 of the funds made available by this Act for assistance under the heading "Child Survival and Disease Programs Fund", may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out child survival, basic education, and infectious disease activities: *Provided*, That up to \$1,500,000 of the funds made available by this Act for assistance under the heading "Development Assistance" may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, Acquired Immune Deficiency Syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs: *Provided further*, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO
CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 526. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for "Economic Support Fund" may be made available to provide general support and grants for nongovernmental organizations located outside the People's Republic

of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country, except that funds appropriated by this Act under the heading "Economic Support Fund" that are made available for the National Endowment for Democracy or its grantees may be made available for activities to foster democracy in that country notwithstanding this proviso and any other provision of law: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law that restricts assistance to foreign countries, of the funds appropriated by this Act under the heading "Economic Support Fund", \$1,000,000 shall be made available to the Robert F. Kennedy Memorial Center for Human Rights for a project to disseminate information and support research about the People's Republic of China, and related activities.

PROHIBITION ON BILATERAL ASSISTANCE TO
TERRORIST COUNTRIES

SEC. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 530. Except as provided in section 581 of the Foreign Operations, Export Financing,

and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States

Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98-1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 534. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AUTHORITIES FOR THE PEACE CORPS, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 535. (a) Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

(b) Unless expressly provided to the contrary, limitations on the availability of funds for "International Organizations and Programs" in this or any other Act, including prior appropriations Acts, shall not be construed to be applicable to the International Fund for Agricultural Development.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 536. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

FUNDING PROHIBITION FOR SERBIA

SEC. 537. None of the funds appropriated by this Act may be made available for assistance for the Republic of Serbia: *Provided*, That this restriction shall not apply to assistance for Kosova or Montenegro, or to assistance to promote democratization: *Provided further*, That section 620(t) of the Foreign Assistance Act of 1961, as amended, shall not apply to Kosova or Montenegro.

SPECIAL AUTHORITIES

SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced

Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100-204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 539. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 540. Of the funds appropriated or otherwise made available by this Act for "Economic Support Fund", assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 541. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading "Assistance for Eastern Europe and the Baltic States": *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2000, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 542. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if

the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 543. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 544. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: *Provided*, That not to exceed \$750,000 may be made available to carry out the provisions of section 316 of Public Law 96-533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 545. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the sense of the Congress that, to the greatest extent practicable, all agriculture commodities, equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

(d) The Secretary of the Treasury shall report to Congress annually on the efforts of the heads of each Federal agency and the United States directors of international financial institutions (as referenced in section 514) in complying with this sense of Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 546. None of the funds appropriated or made available pursuant to this Act for car-

rying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

CONSULTING SERVICES

SEC. 547. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 548. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 550. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of the enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 551. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104-107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That 60 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 553. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: *Provided*, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 22 U.S.C., 2778 note) is amended by striking out "During the five-year period beginning on October 23, 1992" and inserting in lieu thereof "During the eleven-year period beginning on October 23, 1992".

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 554. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government

business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 555. None of the funds appropriated or otherwise made available by this Act under the headings "International Military Education and Training" or "Foreign Military Financing Program" for Informational Program activities or under the headings "Child Survival and Disease Programs Fund", "Development Assistance", and "Economic Support Fund" may be obligated or expended to pay for—

- (1) alcoholic beverages; or
- (2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 556. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 557. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

- (1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;
- (2) credits extended or guarantees issued under the Arms Export Control Act; or
- (3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501).

(b) LIMITATIONS.—

- (1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief ad referendum agreements, commonly referred to as "Paris Club Agreed Minutes".
- (2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.
- (3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are

eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

- (1) does not have an excessive level of military expenditures;
- (2) has not repeatedly provided support for acts of international terrorism;
- (3) is not failing to cooperate on international narcotics control matters;
- (4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and
- (5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

- (A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or
- (B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

ASSISTANCE FOR HAITI

SEC. 559. (a) POLICY.—In providing assistance to Haiti, the President should place a priority on the following areas:

(1) aggressive action to support the Haitian National Police, including support for efforts by the Inspector General to purge corrupt and politicized elements from the Haitian National Police;

(2) steps to ensure that any elections undertaken in Haiti with United States assistance are full, free, fair, transparent, and democratic;

(3) support for a program designed to develop an indigenous human rights monitoring capacity;

(4) steps to facilitate the continued privatization of state-owned enterprises;

(5) a sustainable agricultural development program; and

(6) establishment of an economic development fund for Haiti to provide long-term, low interest loans to United States investors and businesses that have a demonstrated commitment to, and expertise in, doing business in Haiti, in particular those businesses present in Haiti prior to the 1994 United Nations embargo.

(b) REPORT.—Beginning 6 months after the date of the enactment of this Act, and 6 months thereafter until September 30, 2001, the President shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives with regard to—

(1) the status of each of the governmental institutions envisioned in the 1987 Haitian Constitution, including an assessment of the extent to which officials in such institutions hold their positions on the basis of a regular, constitutional process;

(2) the status of the privatization (or placement under long-term private management or concession) of the major public entities, including a detailed assessment of the extent to which the Government of Haiti has completed all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants from such facilities;

(3) the status of efforts to re-sign and implement the lapsed bilateral Repatriation

Agreement and an assessment of the extent to which the Government of Haiti has been cooperating with the United States in halting illegal emigration from Haiti;

(4) the status of the Government of Haiti's efforts to conduct thorough investigations of extrajudicial and political killings and—

(A) an assessment of the progress that has been made in bringing to justice the persons responsible for these extrajudicial or political killings in Haiti; and

(B) an assessment of the extent to which the Government of Haiti is cooperating with United States authorities and with United States-funded technical advisors to the Haitian National Police in such investigations;

(5) an assessment of actions taken by the Government of Haiti to remove and maintain the separation from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity or unit of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights;

(6) the status of steps being taken to secure the ratification of the maritime counter-narcotics agreements signed October 1997;

(7) an assessment of the extent to which domestic capacity to conduct free, fair, democratic, and administratively sound elections has been developed in Haiti; and

(8) an assessment of the extent to which Haiti's Minister of Justice has demonstrated a commitment to the professionalism of judicial personnel by consistently placing students graduated by the Judicial School in appropriate judicial positions and has made a commitment to share program costs associated with the Judicial School, and is achieving progress in making the judicial branch in Haiti independent from the executive branch.

(c) EQUITABLE ALLOCATION OF FUNDS.—Not more than 17 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 560. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1999.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term "United States assistance" has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 561. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appro-

riated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term "United States person" refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

HAITI

SEC. 562. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 563. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 564. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 565. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the items will not be used in East Timor.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 566. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or municipality described in subsection (e).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (e).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (e), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or municipality and a nonsanctioned contiguous country, entity, or municipality, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or municipality and if the portion of the project located in the sanctioned country, entity, or municipality is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement;

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity; or

(H) assistance to the International Police Task Force for the training of a civilian police force.

(2) NOTIFICATION.—Every 60 days the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register and/or in a comparable publicly ac-

cessible document or Internet site, a listing and justification of any assistance that is obligated within that period of time for any country, entity, or municipality described in subsection (e), including a description of the purpose of the assistance, project and its location, by municipality.

(d) FURTHER LIMITATIONS.—Notwithstanding subsection (c)—

(1) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or municipality described in subsection (e), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(2) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or municipality described in subsection (e) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(e) SANCTIONED COUNTRY, ENTITY, OR MUNICIPALITY.—A sanctioned country, entity, or municipality described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(f) SPECIAL RULE.—Subject to subsection (d), subsections (a) and (b) shall not apply to the provision of assistance to an entity that is not a sanctioned entity, notwithstanding that such entity may be within a sanctioned country, if the Secretary of State determines and so reports to the appropriate congressional committees that providing assistance to that entity would promote peace and internationally recognized human rights by encouraging that entity to cooperate fully with the Tribunal.

(g) CURRENT RECORD OF WAR CRIMINALS AND SANCTIONED COUNTRIES, ENTITIES, AND MUNICIPALITIES.—

(1) IN GENERAL.—The Secretary of State shall establish and maintain a current record of the location, including the municipality, if known, of publicly indicted war criminals and a current record of sanctioned countries, entities, and municipalities.

(2) INFORMATION OF THE DCI AND THE SECRETARY OF DEFENSE.—The Director of Central Intelligence and the Secretary of Defense should collect and provide to the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals.

(3) INFORMATION OF THE TRIBUNAL.—The Secretary of State shall request that the Tribunal and other international organizations and governments provide the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals and concerning country, entity and municipality authorities known to have obstructed the work of the Tribunal.

(4) REPORT.—Beginning 30 days after the date of the enactment of this Act, and not later than September 1 each year thereafter, the Secretary of State shall submit a report in classified and unclassified form to the appropriate congressional committees on the location, including the municipality, if known, of publicly indicted war criminals, on country, entity and municipality authorities known to have obstructed the work of

the Tribunal, and on sanctioned countries, entities, and municipalities.

(5) INFORMATION TO CONGRESS.—Upon the request of the chairman or ranking minority member of any of the appropriate congressional committees, the Secretary of State shall make available to that committee the information recorded under paragraph (1) in a report submitted to the committee in classified and unclassified form.

(h) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or municipality upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (1) the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(i) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or municipality have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

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

(1) COUNTRY.—The term "country" means Bosnia-Herzegovina, Croatia, and Serbia.

(2) ENTITY.—The term "entity" refers to the Federation of Bosnia and Herzegovina, Kosova, Montenegro, and the Republika Srpska.

(3) DAYTON AGREEMENT.—The term "Dayton Agreement" means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(4) TRIBUNAL.—The term "Tribunal" means the International Criminal Tribunal for the Former Yugoslavia.

(k) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (e).

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF THE RUSSIAN FEDERATION SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 567. None of the funds appropriated under this Act may be made available for the Government of the Russian Federation, after 180 days from the date of the enactment of this Act, unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

GREENHOUSE GAS EMISSIONS

SEC. 568. (a) Funds made available in this Act to support programs or activities the primary purpose of which is promoting or assisting country participation in the Kyoto Protocol to the Framework Convention on Climate Change (FCCC) shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The President shall provide a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international obligations for such activities in fiscal year 2000, and any plan for programs thereafter related to the implementation or the furtherance of protocols pursuant to, or related to negotiations to amend the FCCC in conjunction with the President's submission of the Budget of the United States Government for Fiscal Year 2001: *Provided*, That such report shall include an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix: *Provided further*, That such report shall identify with regard to the Agency for International Development, obligations and expenditures by country or central program and activity.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 569. Section 105 of Public Law 104-164 (110 Stat. 1427) is amended by striking "1996 and 1997" and inserting "1999 and 2000".

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 570. None of the funds appropriated or otherwise made available by this Act may be provided to the Central Government of the Democratic Republic of Congo.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 571. Of the funds appropriated in titles II and III of this Act under the headings "Economic Support Fund", "Foreign Military Financing Program", "International Military Education and Training", "Peacekeeping Operations", for refugees resettling in Israel under the heading "Migration and Refugee Assistance", and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading "Nonproliferation, Anti-Terrorism, Demining and Related Programs", not more than a total of \$5,321,150,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Coopera-

tion, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of the enactment of this Act obligated or allocated for other recipients may not during fiscal year 2000 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 572. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 573. (a) The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to support basic human needs.

(b) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia.

CUSTOMS ASSISTANCE

SEC. 574. Section 660(b) of the Foreign Assistance Act of 1961 is amended by—

(1) striking the period at the end of paragraph (6) and in lieu thereof inserting a semicolon; and

(2) adding the following new paragraph:

"(7) with respect to assistance provided to customs authorities and personnel, including training, technical assistance and equipment, for customs law enforcement and the improvement of customs laws, systems and procedures."

FOREIGN MILITARY TRAINING REPORT

SEC. 575. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by March 1, 2000, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 1999 and 2000, including those proposed for fiscal year 2000. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 576. (a) Of the funds made available under the heading "Nonproliferation, Anti-terrorism, Demining and Related Programs", not to exceed \$35,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as "KEDO"), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework.

(b) Of the funds made available for KEDO, up to \$15,000,000 may be made available prior to June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the parties to the Agreed Framework have taken and continue to take demonstrable steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula in which the Government of North Korea has committed not to test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons, and not to possess nuclear reprocessing or uranium enrichment facilities;

(2) the parties to the Agreed Framework have taken and continue to take demonstrable steps to pursue the North-South dialogue;

(3) North Korea is complying with all provisions of the Agreed Framework;

(4) North Korea has not diverted assistance provided by the United States for purposes for which it was not intended; and

(5) North Korea is not seeking to develop or acquire the capability to enrich uranium, or any additional capability to reprocess spent nuclear fuel.

(c) Of the funds made available for KEDO, up to \$20,000,000 may be made available on or after June 1, 2000, if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the effort to can and safely store all spent fuel from North Korea's graphite-moderated nuclear reactors has been successfully concluded;

(2) North Korea is complying with its obligations under the agreement regarding access to suspect underground construction;

(3) North Korea has terminated its nuclear weapons program, including all efforts to acquire, develop, test, produce, or deploy such weapons; and

(4) the United States has made and is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and its ballistic missile exports.

(d) The President may waive the certification requirements of subsections (b) and (c) if the President determines that it is vital to the national security interests of the United States and provides written policy justifications to the appropriate congressional committees prior to his exercise of such waiver. No funds may be obligated for KEDO until 30 days after submission to Congress of such waiver.

(e) The Secretary of State shall submit to the appropriate congressional committees a report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year 2001 request for the United States contribution to KEDO, the expected operating budget of the KEDO, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

AFRICAN DEVELOPMENT FOUNDATION

SEC. 577. Funds made available to grantees of the African Development Foundation may

be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both prior to and following enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the \$250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committees on Appropriations in advance of exercising such waiver authority.

PROHIBITION ON ASSISTANCE TO THE
PALESTINIAN BROADCASTING CORPORATION

SEC. 578. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

VOLUNTARY SEPARATION INCENTIVES FOR EMPLOYEES OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

SEC. 579. (a) DEFINITIONS.—For the purposes of this section—

(1) the term “agency” means the United States Agency for International Development;

(2) the term “Administrator” means the Administrator, United States Agency for International Development; and

(3) the term “employee” means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency, is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is to be separated involuntarily for misconduct or unacceptable performance, and to whom specific notice has been given with respect to that separation;

(D) an employee who has previously received any voluntary separation incentive payment by the Government of the United States under this section or any other authority and has not repaid such payment;

(E) an employee covered by statutory re-employment rights who is on transfer to another organization; or

(F) any employee who, during the 24-month period preceding the date of separation, received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of such title 5.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The Administrator, before obligating any resources for voluntary separation incentive payments under this section, shall submit to the Committees on Appropriations and the Office of Management and Budget a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency’s plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organiza-

tional unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered;

(C) a description of how the agency will operate without the eliminated positions and functions; and

(D) the time period during which incentives may be paid.

(3) APPROVAL.—The Director of the Office of Management and Budget shall review the agency’s plan and approve or disapprove the plan and may make appropriate modifications in the plan with respect to the coverage of incentives as described under paragraph (2)(A), and with respect to the matters described in paragraphs (2) (B) through (D).

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by the agency to employees of such agency and only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment under this section—

(A) shall be paid in a lump sum after the employee’s separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(ii) an amount determined by the agency head not to exceed \$25,000;

(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) on or before December 31, 2000;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term “final basic pay”, with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee’s final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—

(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the Government of the United States through a personal services contract, within 5 years after the date of the separation on

which the payment is based shall be required to pay, prior to the individual’s first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) If the employment under paragraph (1) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under paragraph (1) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(4) If the employment under paragraph (1) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant for the position.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) REGULATIONS.—The Office of Personnel Management may prescribe such regulations as may be necessary to implement this section.

IRAQ OPPOSITION

SEC. 580. Notwithstanding any other provision of law, of the funds appropriated under the heading “Economic Support Fund”, \$10,000,000 shall be made available to support efforts to bring about political transition in Iraq, of which not less than \$8,000,000 shall be made available only to Iraqi opposition groups designated under the Iraq Liberation Act (Public Law 105-338) for political, economic, humanitarian, and other activities of such groups, and not more than \$2,000,000 may be made available for groups and activities seeking the prosecution of Saddam Hussein and other Iraqi government officials for war crimes.

AGENCY FOR INTERNATIONAL DEVELOPMENT
BUDGET SUBMISSION

SEC. 581. Beginning with the fiscal year 2001 budget, the Agency for International Development shall submit to the Committees on Appropriations a detailed budget for each fiscal year. The Agency shall submit to the Committees on Appropriations a proposed budget format no later than October 31, 1999, or 30 days after the enactment of this Act, whichever occurs later. The proposed format shall include how the Agency’s budget submission will address: estimated levels of obligations for the current fiscal year and actual levels for the two previous fiscal years; the President’s request for new budget authority and estimated carryover obligational authority for the budget year; the disaggregation of budget data by program and activity for each bureau, field mission, and central office; and staff levels identified by program.

AMERICAN CHURCHWOMEN IN EL SALVADOR

SEC. 582. (a) Information relevant to the December 2, 1980 murders of four American churchwomen in El Salvador shall be made public to the fullest extent possible.

(b) The Secretary of State and the Department of State are to be commended for fully releasing information regarding the murders.

(c) The President shall order all Federal agencies and departments that possess relevant information to make every effort to declassify and release to the victims' families relevant information as expeditiously as possible.

(d) In making determinations concerning the declassification and release of relevant information, the Federal agencies and departments shall presume in favor of releasing, rather than of withholding, such information.

(e) Not later than 45 days after the date of the enactment of this Act, the Attorney General shall provide a report to the Committees on Appropriations describing in detail the circumstances under which individuals involved in the murders or the cover-up of the murders obtained residence in the United States.

KYOTO PROTOCOL

SEC. 583. None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol, which was adopted on December 11, 1997, in Kyoto, Japan, at the Third Conference of the Parties to the United States Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol.

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 584. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by striking the following: “\$50,000,000 for each of the fiscal years 1996 and 1997, \$60,000,000 for fiscal year 1998, and” and inserting in lieu thereof before the period at the end, the following: “and \$60,000,000 for fiscal year 2000”.

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by striking the following: “Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$10,000,000 may be made available for stockpiles in Thailand. Of the amount specified in subparagraph (A) for fiscal year 1998, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.”; and at the end inserting the following sentence: “Of the amount specified in subparagraph (A) for fiscal year 2000, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.”.

RUSSIAN LEADERSHIP PROGRAM

SEC. 585. Section 3011 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106-31; 113 Stat. 93) is amended—

(1) by striking “fiscal year 1999” in subsections (a)(1), (b)(4)(B), (d)(3), and (h)(1)(A) and inserting “fiscal years 1999 and 2000”; and

(2) by striking “2000” in subsection (a)(2), (e)(1), and (h)(1)(B) and inserting “2001”.

ABOLITION OF THE INTER-AMERICAN FOUNDATION

SEC. 586. (a) DEFINITIONS.—In this section: (1) DIRECTOR.—The term “Director” means the Director of the Office of Management and Budget.

(2) FOUNDATION.—The term “Foundation” means the Inter-American Foundation.

(3) FUNCTION.—The term “function” means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(b) ABOLITION OF INTER-AMERICAN FOUNDATION.—During fiscal year 2000, the President is authorized to abolish the Inter-American Foundation. The provisions of this section shall only be effective upon the effective date of the abolition of the Inter-American Foundation.

(c) TERMINATION OF FUNCTIONS.—

(1) Except as provided in subsection (d)(2), there are terminated upon the abolition of the Foundation all functions vested in, or exercised by, the Foundation or any official thereof, under any statute, reorganization plan, Executive order, or other provisions of law, as of the day before the effective date of this section.

(2) REPEAL.—Section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 6290f) is repealed upon the effective date specified in subsection (j).

(3) FINAL DISPOSITION OF FUNDS.—Upon the date of transmittal to Congress of the certification described in subsection (d)(4), all unexpended balances of appropriations of the Foundation shall be deposited in the miscellaneous receipts account of the Treasury of the United States.

(d) RESPONSIBILITIES OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall be responsible for—

(A) the administration and wind-up of any outstanding obligation of the Federal Government under any contract or agreement entered into by the Foundation before the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, except that the authority of this subparagraph does not include the renewal or extension of any such contract or agreement; and

(B) taking such other actions as may be necessary to wind-up any outstanding affairs of the Foundation.

(2) TRANSFER OF FUNCTIONS TO THE DIRECTOR.—There are transferred to the Director such functions of the Foundation under any statute, reorganization plan, Executive order, or other provision of law, as of the day before the date of the enactment of this section, as may be necessary to carry out the responsibilities of the Director under paragraph (1).

(3) AUTHORITIES OF THE DIRECTOR.—For purposes of performing the functions of the Director under paragraph (1) and subject to the availability of appropriations, the Director may—

(A) enter into contracts;

(B) employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem rate equivalent to the rate for level IV of the Executive Schedule; and

(C) utilize, on a reimbursable basis, the services, facilities, and personnel of other Federal agencies.

(4) CERTIFICATION REQUIRED.—Whenever the Director determines that the responsibilities described in paragraph (1) have been fully discharged, the Director shall so certify to the appropriate congressional committees.

(e) REPORT TO CONGRESS.—The Director of the Office of Management and Budget shall submit to the appropriate congressional committees a detailed report in writing regarding all matters relating to the abolition and termination of the Foundation. The report shall be submitted not later than 90 days after the termination of the Foundation.

(f) TRANSFER AND ALLOCATION OF APPROPRIATIONS.—Except as otherwise provided in this section, the assets, liabilities (including contingent liabilities arising from suits continued with a substitution or addition of parties under subsection (g)(3)), contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions, terminated by subsection (c)(1) or transferred by subsection (d)(2) shall be transferred to the Director for purposes of carrying out the responsibilities described in subsection (d)(1).

(g) SAVINGS PROVISIONS.—

(1) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the Foundation in the performance of functions that are terminated or transferred under this section; and

(B) that are in effect as of the date of the abolition of the Foundation, or were final before such date and are to become effective on or after such date,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director, or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) NO EFFECT ON JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.—Except as otherwise provided in this section—

(A) the provisions of this section shall not affect suits commenced prior to the date of abolition of the Foundation; and

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(3) NONABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of the Foundation shall abate by reason of the enactment of this section. No cause of action by or against the Foundation, or by or against any officer thereof in the official capacity of such officer, shall abate by reason of the enactment of this section.

(4) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date of the abolition of the Foundation, the Foundation, or officer thereof in the official capacity of such officer, is a party to a suit, then effective on such date such suit shall be continued with the Director substituted or added as a party.

(5) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Director in the exercise of functions terminated or transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Foundation immediately preceding their termination or transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this section shall apply to the exercise of such function by the Director.

(h) CONFORMING AMENDMENTS.—

(1) AFRICAN DEVELOPMENT FOUNDATION.—Section 502 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 290h) is amended—

(A) by inserting “and” at the end of paragraph (2);

(B) by striking the semicolon at the end of paragraph (3) and inserting a period; and

(C) by striking paragraphs (4) and (5).

(2) SOCIAL PROGRESS TRUST FUND AGREEMENT.—Section 36 of the Foreign Assistance Act of 1973 is amended—

(A) in subsection (a)—

(i) by striking “provide for” and all that follows through “(2) utilization” and inserting “provide for the utilization”; and

(ii) by striking “member countries;” and all that follows through “paragraph (2)” and inserting “member countries.”;

(B) in subsection (b), by striking “transfer or”;

(C) by striking subsection (c);

(D) by redesignating subsection (d) as subsection (c); and

(E) in subsection (c) (as so redesignated), by striking “transfer or”.

(3) FOREIGN ASSISTANCE ACT OF 1961.—Section 222A(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182a(d)) is repealed.

(i) DEFINITION.—In this section, the term “appropriate congressional committees” means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

(j) EFFECTIVE DATES.—The repeal made by subsection (c)(2) and the amendments made by subsection (h) shall take effect upon the date of transmittal to Congress of the certification described in subsection (d)(4).

WEST BANK AND GAZA PROGRAM

SEC. 587. For fiscal year 2000, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading “Economic Support Fund” for the West Bank and Gaza.

HUMAN RIGHTS ASSISTANCE

SEC. 588. Of the funds made available under the heading “International Narcotics Control and Law Enforcement”, up to \$500,000 should be made available to support the activities of Colombian nongovernmental organizations involved in human rights monitoring.

INDONESIA REPORTING REQUIREMENT

SEC. 589. Notwithstanding any other provision of this Act, none of the funds appropriated under the headings “Economic Support Fund”, “International Military Education and Training”, or “Foreign Military Financing Program” may be obligated for Indonesia unless the Committees on Appropriations are advised in writing 20 days prior to each such proposed obligation.

MAN AND THE BIOSPHERE

SEC. 590. None of the funds appropriated or otherwise made available by this Act may be provided for the United Nations Man and the Biosphere Program or the United Nations World Heritage Fund.

IMMUNITY OF FEDERAL REPUBLIC OF YUGOSLAVIA

SEC. 591. (a) Subject to subsection (b), the Federal Republic of Yugoslavia shall be deemed to be a state sponsor of terrorism for the purposes of 28 U.S.C. 1605(a)(7).

(b) This section shall not apply to Montenegro or Kosovo.

(c) This section shall become null and void when the President certifies in writing to the Congress that the Federal Republic of Yugoslavia (other than Montenegro and Kosovo) has completed a democratic reform process that results in a newly elected government that respects the rights of ethnic minorities, is committed to the rule of law and respects the sovereignty of its neighbor states.

(d) The certification provided for in subsection (c) shall not affect the continuation of litigation commenced against the Federal Republic of Yugoslavia prior to its fulfillment of the conditions in subsection (c).

UNITED STATES ASSISTANCE POLICY FOR OPPOSITION-CONTROLLED AREAS OF SUDAN

SEC. 592. (a) Notwithstanding any other provision of law, the President, acting through appropriate federal agencies, may provide food assistance to groups engaged in the protection of civilian populations from attacks by regular government of Sudan forces, associated militias, or other paramilitary groups supported by the government of Sudan. Such assistance may only be provided in a way that: (1) does not endanger, compromise or otherwise reduce the United States’ support for unilateral, multilateral or private humanitarian operations or the beneficiaries of those operations; or (2) compromise any ongoing or future people-to-people reconciliation efforts. Any such assistance shall be provided separate from and not in proximity to current humanitarian efforts, both within Operation Lifeline Sudan or outside of Operation Lifeline Sudan, or any other current or future humanitarian operations which serve noncombatants. In considering eligibility of potential recipients, the President shall determine that the group respects human rights, democratic principles, and the integrity of ongoing humanitarian operations, and cease such assistance if the determination can no longer be made.

(b) Not later than February 1, 2000, the President shall submit to the Committees on Appropriations a report on United States bilateral assistance to opposition-controlled areas of Sudan. Such report shall include—

(1) an accounting of United States bilateral assistance to opposition-controlled areas of Sudan, provided in fiscal years 1997, 1998, 1999, and proposed for fiscal year 2000, and the goals and objectives of such assistance;

(2) the policy implications and costs, including logistics and administrative costs, associated with providing humanitarian assistance, including food, directly to National Democratic Alliance participants and the Sudanese People’s Liberation Movement operating outside of the United Nations’ Operation Lifeline Sudan structure, and the United States agencies best suited to administer these activities; and

(3) the policy implications of increasing substantially the amount of development assistance for democracy promotion, civil administration, judiciary, and infrastructure support in opposition-controlled areas of Sudan and the obstacles to administering a development assistance program in this region.

CONSULTATIONS ON ARMS SALES TO TAIWAN

SEC. 593. Consistent with the intent of Congress expressed in the enactment of section 3(b) of the Taiwan Relations Act, the Secretary of State shall consult with the appropriate committees and leadership of Congress to devise a mechanism to provide for congressional input prior to making any determination on the nature or quantity of defense articles and services to be made available to Taiwan.

AUTHORIZATIONS

SEC. 594. The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the Multilateral Investment Guarantee Agency, and the first general capital increase of the Inter-American Investment Corporation; and (2) contribute on behalf of the United States to the eighth replenishment of the resources of the African Development Fund and the twelfth replenishment of the International Development Association. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: \$29,870,087 for paid-in capital, and \$139,365,533 for callable capital, of the Multilateral Investment Guarantee Agency; \$125,180,000 for paid-in capital of the Inter-American Investment Corporation; \$300,000,000 for the African Development Fund; and \$2,410,000,000 for the International Development Association.

ASSISTANCE FOR COSTA RICA

SEC. 595. Of the funds appropriated by Public Law 106-31, under the heading “Central America and the Caribbean Emergency Disaster Recovery Fund”, \$8,000,000 shall be made available only for Costa Rica.

SILK ROAD STRATEGY ACT OF 1999

SEC. 596. (a) SHORT TITLE.—This section may be cited as the “Silk Road Strategy Act of 1999”.

(b) AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961.—Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

“CHAPTER 12—SUPPORT FOR THE ECONOMIC AND POLITICAL INDEPENDENCE OF THE COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

“(a) PURPOSE OF ASSISTANCE.—The purposes of assistance under this section include—

“(1) the creation of the basis for reconciliation between belligerents;

“(2) the promotion of economic development in areas of the countries of the South Caucasus and Central Asia impacted by civil conflict and war; and

“(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

“(b) AUTHORIZATION FOR ASSISTANCE.—

“(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(2) DEFINITION OF HUMANITARIAN ASSISTANCE.—In this subsection, the term ‘humanitarian assistance’ means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include—

“(1) providing for the humanitarian needs of victims of the conflicts;

“(2) facilitating the return of refugees and internally displaced persons to their homes; and

“(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.

“SEC. 499A. ECONOMIC ASSISTANCE.

“(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to foster

economic growth and development, including the conditions necessary for regional economic cooperation, in the South Caucasus and Central Asia.

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(c) ACTIVITIES SUPPORTED.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.

“SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.

“(a) PURPOSE OF PROGRAMS.—The purposes of programs under this section include—

“(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and

“(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

“(b) AUTHORIZATION FOR PROGRAMS.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Central Asia may be used to support the activities described in subsection (c):

“(1) Activities by the Export-Import Bank to complete the review process for eligibility for financing under the Export-Import Bank Act of 1945.

“(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.

“(3) Assistance under section 661 of this Act (relating to the Trade and Development Agency).

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by programs under subsection (b) include promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

“SEC. 499C. BORDER CONTROL ASSISTANCE.

“(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section includes the assistance of the countries of the South Caucasus and Central Asia to secure their borders and implement effective controls necessary to prevent the trafficking of illegal narcotics and the proliferation of technology and materials related to weapons of mass destruction (as defined in section 2332a(c)(2) of title 18, United States Code), and to contain and inhibit transnational organized criminal activities.

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include assisting those countries of the South Caucasus and Central Asia in developing capabilities to maintain national border guards, coast guard, and customs controls.

“SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE, AND THE DEVELOPMENT OF CIVIL SOCIETY.

“(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to pro-

mote institutions of democratic government and to create the conditions for the growth of pluralistic societies, including religious tolerance and respect for internationally recognized human rights.

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide the following types of assistance to the countries of the South Caucasus and Central Asia:

“(1) Assistance for democracy building, including programs to strengthen parliamentary institutions and practices.

“(2) Assistance for the development of nongovernmental organizations.

“(3) Assistance for development of independent media.

“(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.

“(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.

“(6) Assistance to promote increased adherence to civil and political rights under section 116(e) of this Act.

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include activities that are designed to advance progress toward the development of democracy.

“SEC. 499E. ADMINISTRATIVE AUTHORITIES.

“(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.

“(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

“(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

“(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act, and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

“SEC. 499F. DEFINITIONS.

“In this chapter:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

“(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term ‘countries of the South Caucasus and Central Asia’ means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.”.

(c) CONFORMING AMENDMENTS.—Section 102(a) of the FREEDOM Support Act (Public Law 102-511) is amended in paragraphs (2) and (4) by striking each place it appears “this Act)” and inserting “this Act and chapter 12 of part I of the Foreign Assistance Act of 1961)”.

(d) ANNUAL REPORT.—Section 104 of the FREEDOM Support Act (22 U.S.C. 5814) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting “; and”;

(3) by adding at the end the following new paragraph:

“(5) with respect to the countries of the South Caucasus and Central Asia—

“(A) an identification of the progress made by the United States in accomplishing the policy described in section 3 of the Silk Road Strategy Act of 1999;

“(B) an evaluation of the degree to which the assistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961 has accomplished the purposes identified in that chapter;

“(C) a description of the progress being made by the United States to resolve trade disputes registered with and raised by the United States embassies in each country, and to negotiate a bilateral agreement relating to the protection of United States direct investment in, and other business interests with, each country; and

“(D) recommendations of any additional initiatives that should be undertaken by the United States to implement the policy and purposes contained in the Silk Road Strategy Act of 1999.”.

COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES

SEC. 597. Section 116 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection:

“(f)(1) The report required by subsection (d) shall include—

“(A) a list of foreign states where trafficking in persons, especially women and children, originates, passes through, or is a destination; and

“(B) an assessment of the efforts by the governments of the states described in paragraph (A) to combat trafficking. Such an assessment shall address—

“(i) whether government authorities in each such state tolerate or are involved in trafficking activities;

“(ii) which government authorities in each such state are involved in anti-trafficking activities;

“(iii) what steps the government of each such state has taken to prohibit government officials and other individuals from participating in trafficking, including the investigation, prosecution, and conviction of individuals involved in trafficking;

“(iv) what steps the government of each such state has taken to assist trafficking victims;

“(v) whether the government of each such state is cooperating with governments of other countries to extradite traffickers when requested;

“(vi) whether the government of each such state is assisting in international investigations of transnational trafficking networks; and

“(vii) whether the government of each such state refrains from prosecuting trafficking victims or refrains from other discriminatory treatment towards victims.

(2) In compiling data and assessing trafficking for the purposes of paragraph (1), United States Diplomatic Mission personnel shall consult with human rights and other appropriate nongovernmental organizations.

(3) For purposes of this subsection—

“(A) the term ‘trafficking’ means the use of deception, coercion, debt bondage, the threat of force, or the abuse of authority to recruit, transport within or across borders, purchase, sell, transfer, receive, or harbor a person for the purposes of placing or holding such person, whether for pay or not, in involuntary servitude, slavery or slavery-like conditions, or in forced, bonded, or coerced labor;

“(B) the term ‘victim of trafficking’ means any person subjected to the treatment described in subparagraph (A).”.

OPIC MARITIME FUND

SEC. 598. It is the sense of the Congress that the Overseas Private Investment Corporation shall within one year from the date of the enactment of this Act select a fund manager for the purpose of creating a maritime fund with total capitalization of up to \$200,000,000. This fund shall leverage United States commercial maritime expertise to support international maritime projects.

SANCTIONS AGAINST SERBIA

SEC. 599. (a) CONTINUATION OF EXECUTIVE BRANCH SANCTIONS.—The sanctions listed in subsection (b) shall remain in effect for fiscal year 2000, unless the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations of the House of Representatives a certification described in subsection (c).

(b) APPLICABLE SANCTIONS.—

(1) The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to the government of Serbia.

(2) The Secretary of State should instruct the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to block any consensus to allow the participation of Serbia in the OSCE or any organization affiliated with the OSCE.

(3) The Secretary of State should instruct the United States Representative to the United Nations to vote against any resolution in the United Nations Security Council to admit Serbia to the United Nations or any organization affiliated with the United Nations, to veto any resolution to allow Serbia to assume the United Nations' membership of the former Socialist Federal Republic of Yugoslavia, and to take action to prevent Serbia from assuming the seat formerly occupied by the Socialist Federal Republic of Yugoslavia.

(4) The Secretary of State should instruct the United States Permanent Representative on the Council of the North Atlantic Treaty Organization to oppose the extension of the Partnership for Peace program or any other organization affiliated with NATO to Serbia.

(5) The Secretary of State should instruct the United States Representatives to the Southeast European Cooperative Initiative (SECI) to oppose and to work to prevent the extension of SECI membership to Serbia.

(c) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) the representatives of the successor states to the Socialist Federal Republic of Yugoslavia have successfully negotiated the division of assets and liabilities and all other succession issues following the dissolution of the Socialist Federal Republic of Yugoslavia;

(2) the government of Serbia is fully complying with its obligations as a signatory to the General Framework Agreement for Peace in Bosnia and Herzegovina;

(3) the government of Serbia is fully cooperating with and providing unrestricted access to the International Criminal Tribunal for the former Yugoslavia, including surrendering persons indicted for war crimes who are within the jurisdiction of the territory of Serbia, and with the investigations concerning the commission of war crimes and crimes against humanity in Kosovo;

(4) the government of Serbia is implementing internal democratic reforms; and

(5) Serbian federal governmental officials, and representatives of the ethnic Albanian community in Kosovo have agreed on, signed, and begun implementation of a negotiated settlement on the future status of Kosovo.

(d) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should not restore full diplomatic relations with Serbia until the President submits to the Committees on Appropriations and Foreign Relations in the Senate and the Committees on Appropriations and International Relations in the House of Representatives the certification described in subsection (c).

(e) EXEMPTION OF MONTENEGRO AND KOSOVA.—The sanctions described in subsection (b) shall not apply to Montenegro or Kosovo.

(f) DEFINITION.—The term "international financial institution" includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(g) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of any sanction described in subsection (b) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs.

CLEAN COAL TECHNOLOGY

SEC. 599A. (a) FINDINGS.—The Congress finds as follows:

(1) The United States is the world leader in the development of environmental technologies, particularly clean coal technology.

(2) Severe pollution problems affecting people in developing countries, and the serious health problems that result from such pollution, can be effectively addressed through the application of United States technology.

(3) During the next century, developing countries, particularly countries in Asia such as China and India, will dramatically increase their consumption of electricity, and low quality coal will be a major source of fuel for power generation.

(4) Without the use of modern clean coal technology, the resultant pollution will cause enormous health and environmental problems leading to diminished economic growth in developing countries and, thus, diminished United States exports to those growing markets.

(b) STATEMENT OF POLICY.—It is the policy of the United States to promote the export of United States clean coal technology. In furtherance of that policy, the Secretary of State, the Secretary of the Treasury (acting through the United States executive directors to international financial institutions), the Secretary of Energy, and the Administrator of the United States Agency for International Development (USAID) should, as appropriate, vigorously promote the use of United States clean coal technology in environmental and energy infrastructure programs, projects and activities. Programs, projects and activities for which the use of such technology should be considered include reconstruction assistance for the Balkans, activities carried out by the Global Environment Facility, and activities funded from USAID's Development Credit Authority.

RESTRICTION ON UNITED STATES ASSISTANCE FOR CERTAIN RECONSTRUCTION EFFORTS IN THE BALKANS REGION

SEC. 599B. (a) Funds appropriated or otherwise made available by this Act for United States assistance for reconstruction efforts in the Federal Republic of Yugoslavia or any contiguous country should to the maximum extent practicable be used for the procurement of articles and services of United States origin.

(b) DEFINITIONS.—In this section:

(1) ARTICLE.—The term "article" means any agricultural commodity, steel, commu-

nications equipment, farm machinery or petrochemical refinery equipment.

(2) FEDERAL REPUBLIC OF YUGOSLAVIA.—The term "Federal Republic of Yugoslavia" includes Serbia, Montenegro and Kosovo.

CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND

SEC. 599C. (1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under "International Organizations and Programs", not more than \$25,000,000 for fiscal year 2000 shall be available for the United Nations Population Fund (hereinafter in this subsection referred to as the "UNFPA").

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under "International Organizations and Programs" may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under "International Organizations and Programs" for fiscal year 2000 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO THE CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2000, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Population Fund is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 599D. (a) Not to exceed \$385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.

This Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000".

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in House Report 106-450 if offered by the gentleman from Florida (Mr. YOUNG) or his designee, which shall be in order without a demand for division of the question, shall be considered read and debatable for 20 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from Florida (Mr. YOUNG) and the gentlewoman from California (Ms. PELOSI) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3196, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would expect that the general debate time would be rather limited today because the underlying bill that we deal with this morning is basically the same bill that we passed in the House earlier and that we again passed as part of the conference report on the foreign operations bill.

So, Mr. Speaker, I believe that most of the debate today will revolve around the amendment that I will offer after we have completed general debate. The amendment has been discussed during consideration of the rule, and I will just briefly go through it again.

It will provide the money that the President has requested to fund the Wye River Agreement relative to the Middle East peace process. It also will add additional funding for programs that the President has asked for, but not nearly in the amounts that he initially asked for. He asked for \$1.4 billion over and above the underlying bill plus the Wye River agreement funding. We, after serious negotiation, we brought that number down to \$799 million. But we will discuss that amendment in greater detail when we get to that point.

Mr. Speaker, I reserve the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the Committee on Appropriations, in bringing this foreign operations bill to the floor.

We have debated this extensively in the course of the Congress working its will on the bill in the initial bill and the conference report, and lots of debates surrounding how this bill is coming to the floor.

It is indeed a compromise. Yes, there is additional funding, and that was agreed to between the majority and minority parties helping to meet some of the President's initiatives. I am very pleased that, through the process, we were able to bring a very robust Wye River agreement to the floor and know that it will receive overwhelming support from our colleagues.

As I said, this bill has been extensively debated. In the interest of time, I just want to say two things. One is that this bill is about threat reduction. It is in the interest of every person in our country and, indeed, in the interest of our great country for us to reduce threat.

That is manifested in this legislation in funds to disarm the nuclear weapons

in Russia. That reduces threat of those weapons in the world and to our people. Stopping proliferation of weapons of mass destruction is in our interest.

Threat reduction, though, applies also to the environment. Funds spent on international environmental issues reduce environmental and pollution threats to people in our own country.

Funds spent on child survival for stopping disease and trying to eliminate disease in the world is in the interest, not only of the children of the world, but is a threat reduction to the children of America.

I believe that America should have a very strong leadership role in the world. Most people agree, I think. But even if one does not, I think one will agree that it is in the national self-interest and the personal self-interest of every person in our country to reduce the threat of nuclear weapons, the threat of environmental pollution, the threat of disease, and other threat that can harm our country and our people.

I have had a chart on occasion that shows a very thin sliver of the budget pie, which is this appropriations bill. It looks like a little needle, it is so thin. It is just a little line. I think my colleagues should consider that needle, that portion of the budget that is spent on foreign operations as the needle of inoculation, inoculation against the spread of warfare, the spread of disease, the spread of pollution, as I said. That list goes on.

So it is a small price for us to pay to protect our people, to prevent a conflict, and to help America assume its role in the world.

In addition to threat reduction, I will talk a moment about debt reduction, which is also in this package, though not as robustly as I would like to see.

In terms of debt reduction, this is the jubilee year. I would hope that, in the package which is here, which only addresses bilateral debt reduction, but I am hoping that we will have language in the bill that frees us from the Paris Club minutes that tie that debt reduction to criteria established by the IMF, but instead, tie it to criteria established by this Congress, that we will proceed in the next year to move on to multilateral debt reduction, which is very important.

The year 2000 is a jubilee year, a year where interfaith organizations in a very ecumenical movement have come together to call for debt forgiveness. At the end of the century, and even more so at the end of the millennium, it has been a biblical tradition to forgive. Hopefully, we can forgive the debt many of these countries are burdened by by previous corrupt regimes.

But now that these democracies have emerged, they cannot be harnessed or hampered by the debts of the previous regimes or even by some inappropriate economic policies of their predecessors.

So in the interest of threat reduction and in the interest of debt reduction, I am pleased that we have this compromise package which will help pre-

vent some of the ills that I mentioned earlier and promote democratic values throughout the world, grow our economy through promoting our exports, and have freer and fairer trade in the world as we open markets. But we must help create those markets. Debt reduction will help do that.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute and would just like to point out that, as I said in my opening comments, I do not think we need a lot of debate on the underlying bill inasmuch as we have already discussed it and debated it numerous times. So we are just about prepared to yield back our time. But before we do, and before I have a closing statement, I will recognize the very distinguished chairman of the Subcommittee on Foreign Operations, Export Financing, and related programs, who has done yeoman's work in getting some realism into our foreign aid program and getting programs that actually work and doing the very best that he can to keep the money from going into corrupt hands and ending up into some numbered bank account somewhere where the poor people do not get a chance to see any benefit from it.

Mr. Speaker, I am very happy to yield such time as he may consume to the gentleman from Alabama (Mr. CALLAHAN), who is responsible for this bill.

Mr. CALLAHAN. Mr. Speaker, the gentleman from Florida (Mr. YOUNG) is absolutely right. This measure, in its current form, has been debated on this floor several times. There is really no need to go into some lengthy explanation of what we have already debated. So I think that it is a very wise decision to limit debate on this.

The bill, as I understand it, because of the discussions that took place between the Democrats and the White House and the leadership, is going to be dramatically changed with the Young amendment which will be introduced just momentarily. So if there is any discussion, I think that the discussion should be held there.

So the bill in the current form, Mr. Speaker, is a good bill, but we will just have to wait and see what the amendment produces.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I do not expect to take the full 2 minutes. I simply want to thank the gentleman from Florida (Mr. YOUNG) for his efforts and the gentleman from Alabama (Mr. CALLAHAN) as well, and certainly the gentlewoman from California (Ms. PELOSI), who has been steadfast in trying to improve this bill so that it can, in fact, merit a presidential signature.

I have already said everything that needs to be said about the changes that will be affected by the Young amendment, which I intend to support. I do

think it is important to recognize that, while we do have an understanding, we do not yet have a total agreement.

The bill, as it leaves the House today, will still leave numerous language issues unresolved. Those are still going to have to be worked out between us and the Senate. There are at least two substantive issues which will still have to be worked out with give and take on both sides.

But assuming that that will happen, I intend to support this at this stage in the process. Whether I support the final product will be determined by exactly what the fine print reads when we get that product together after Senate consideration and consideration by the conference.

Ms. PELOSI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to commend the gentleman from Florida (Mr. YOUNG), the distinguished chairman of the full Committee on Appropriations. It is always a pleasure to work with him and the gentleman from Alabama (Mr. CALLAHAN), the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

We have had our differences over this bill. I am pleased that we are able to come together, as the gentleman from Wisconsin (Mr. OBEY) says, around a compromise. It is one of those bills where, obviously, everybody did not get what he or she wanted; but nonetheless, we have enough to go forward. So I urge my colleagues to vote for it.

I want to commend the leadership, also, of the gentleman from Wisconsin (Mr. OBEY), our distinguished ranking member, who has served as chair of this subcommittee for 10 years who knows this brief very well, and we all benefit from that.

Mr. Speaker, I want to commend the staff, Charlie Flickner, John Shank, Chris Walker, and Lori Maes, for their very hard work on this legislation, as well as the minority staff, Mark Murray and Carolyn Bartholomew, for helping to bring this all to fruition today.

So, with that, Mr. Speaker, I urge our colleagues to vote aye on the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 1 minute primarily to say thank you very much to all of the players, the gentleman from Alabama (Mr. CALLAHAN), especially, as chairman, and to the gentlewoman from California (Ms. PELOSI) as the ranking member, and the gentleman from Wisconsin (Mr. OBEY), my friend and the ranking member on the full Committee on Appropriations.

This is not the easiest bill to deal with and get votes for or to negotiate with the administration. But I think we have successfully done that. There are a lot of decisions in this product that I do not really like, I will have to be very honest with my colleagues. I probably dislike this bill more than any of the ones that we are going to

vote on. But we are going to take it up now, we are going to amend it, we are going to pass it, we are going to get it to the White House, and we are going to get on with the business of the Congress.

Mr. PORTER. Mr. Speaker, I rise in strong support of this amendment. While I understand the concerns of the Chairman of the Subcommittee, I believe that this amendment will begin to address the real assistance needs of our foreign policy. I support restraints for federal spending, but I am concerned that reductions in our foreign assistance will cost us much more in the future.

As has been stated before, foreign aid represents less than one percent of the overall federal budget. Even with the increase provided by the Young amendment! Our Defense budget is twenty times as great as the budget for Foreign Operations. And this is after the Cold War. Investments in foreign assistance reduce the need for defense operations. Promoting stability and economic development through the U.S. Agency for International Development, multilateral development agencies and non-governmental organizations that leverage U.S. funds is a fiscally responsible investment.

While many want the U.S. to withdraw from the focus of the world stage, we cannot. We are the only superpower and with this position comes responsibilities. If the U.S. retreats, who will fill this void? The candidates are frightening. There are more Kosovos and Chechnyas waiting to erupt. While we cannot prevent every one, our economic and development assistance is helping to settle many through peaceful means.

Further, by working with populations in the developing world, we help to conserve the natural resources that affect us all. Air, water and biodiversity are all global and know no national boundaries. The U.S. is not an island with its own separate ecosystem. Our health and prosperity is interdependent with the rest of the world. So many resources on which we rely are influenced by those outside of the U.S. Therefore, it is essential that we work together to guarantee a healthy global environment for the future.

I am pleased that the leadership is supporting this assistance, and I look forward to making our foreign assistance more effective next year.

I urge all of my colleagues to support this amendment.

Mr. CARDIN. Mr. Speaker, I urge my colleagues to support H.R. 3196, the second Foreign Operations Appropriations for FY 2000. It is in our national interest.

We can be proud of the role that our nation has played in facilitating peace around the world. Nowhere has that been more evident than in the Middle East. The United States played a key role in the successful implementation of the Wye River Accord between Israel and the Palestinians.

The Young amendment will help the United States fulfill its crucial obligations to Wye River implementation. By providing \$1.8 billion in funding for the Wye River Accord, including \$1.2 billion in security assistance for Israel, \$400 million in economic support for Gaza and the West Bank, \$200 million for Jordan and \$25 million in military support for Egypt, this legislation ensures the continued progress of peace in the Middle East.

This bill is not perfect. Our foreign aid budget is only half of what it was just 10 years ago and represents less than 1 percent of our federal budget today. We must do more to provide broad-based, adequate funding to promote our interests around the world.

But this legislation represents an appropriate balance that maintains U.S. leadership abroad, so that our efforts in crucial regions like the Middle East and the Balkans will not be wasted. I am pleased that this legislation provides increased funding for debt relief to help some of the world's poorest nations reduce manageable debt and start down the road of economic recovery. This legislation also funds efforts to prevent the spread of weapons of mass destruction and deadly nuclear materials. Finally, the bill provides increased funds to support the hard-won peace in Kosovo, where U.S. leadership helped stop ethnic cleansing.

By including these measures, this legislation takes important steps toward crafting a foreign aid budget that makes sense and promotes U.S. leadership around the world. I support this bill and applaud the bipartisan work which brought this agreement before the House.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3196, which is the second version of the Foreign Operations Appropriations bill for FY2000. The President vetoed the first bill because it failed to advance our nation's foreign policy concerns.

Since the mid-1980's the resources devoted to our foreign assistance programs have steadily declined. Some of these decreases have been prudent reductions as we examined our international and multilateral commitments. However, these current requests for massive cuts in funding would threaten America's ability to maintain a leadership role in a rapidly changing world.

I would like to commend Chairman YOUNG, Subcommittee and Ranking Member PELOSI, Full Committee Ranking Member OBEY, and Chairman CALLAHAN on the compromise negotiated with the Administration that would appropriate \$1.8 billion to implement the Wye River Accord plus \$799 in other various accounts. Mr. Speaker, the compromise reached on this appropriations bill would further provide \$150 million for loan assistance to the world's poorest countries; \$50 million for the African Development Fund and \$4.1 million for the African Development Bank; additionally, this bill provides \$75 million more for peacekeeping activities; \$35 million for the nonproliferation, anti-terrorism, and demining programs; \$20 million more for anti-narcotics and law enforcement; \$16 million for the Inter-American Investment Corporation and \$10 million for the Community Adjustment Program along the border with Mexico; lastly, \$10 million in additional funding has been provided to the Peace Corps.

I am particularly pleased with the additional funding for economic recovery and democratization in Africa, Latin America and Asia. These additional funds would assist programs intended to increase political stability and democratization in Africa; support democracy efforts in Guatemala, Peru and Ecuador; and bolster democratic and economic reform in Asia, as well as sustain the implementation of the Belfast Good Friday Accord. Funding for these accounts will permit the United States to additionally provide funds for numerous priorities in Africa.

In addition, the funds provided to the Multi-lateral Development Banks and debt reduction will assist Debt Relief programs for poor countries and enable the United States to contribute to the HIPC Trust Fund, which is an essential component of current debt reduction programs. The developing nations of the world have developed strategies and plans to alleviate some of the debt burden of poorer countries. The expanded Heavily Indebted Poor Countries (HIPC) initiative is supported by a wide range of religious and charitable organizations, and was agreed to by the G-7 in Cologne. It is critical that the United States demonstrate its leadership by consistently providing the necessary funding support for these initiatives, which enjoys bipartisan and international support. Finally this bill has almost \$200 million for treatment of HIV/AIDS in the world. Although we must do more for debt relief for developing nations, such as on the continent of Africa, and I look forward to that in the months to come.

I would like to commend Chairman YOUNG and Ranking Member OBEY for their hard work in reaching this compromise and offer my support for this bill.

Mr. CROWLEY. Mr. Speaker, I speak today in support of the Young amendment and the Fiscal Year 2000 Foreign Operations Appropriations bill. I voted against this legislation when the House last considered it because it failed to fund the Wye Agreement and it failed to provide sufficient funding to promote America's foreign policy interests.

Today, with the Young amendment, we see a much-improved Foreign Operations bill. By providing \$1.8 billion to meet our commitment under the Wye Accord, the United States has re-committed itself to keeping the promise of Middle East Peace.

Mr. Speaker, I am also grateful to the Appropriations Committee for including funding for UNFPA for up to \$25 million, without the "Smith Mexico City" language. The current language in the bill is the Crowley/Campbell amendment which reduces, dollar for dollar, any funding provided by UNFPA in China. I continue to believe that this common sense compromise is the best way to address the issue of the UNFPA program in China without cutting off support for vital work being done by UNFPA.

I am also pleased that this legislation contains \$150 million for reconstruction efforts in Kosovo, funding for bi-lateral debt relief, and \$20 million for the International Fund for Ireland. Additionally, this legislation contains provisions limiting new funds from being obligated for Indonesia and prohibits military equipment from being sold or leased to Indonesia for use against East Timor.

Mr. YOUNG and Mr. CALLAHAN have worked hard to provide aid to Israel, Egypt and Jordan to continue the goal of peace in the Middle East. I am grateful to them for fulfilling this commitment. However, I am concerned about the lack of funding for counter-narcotics assistance for Colombia, as well as the continuation of the waiver for Azerbaijan to receive OPIC and TDA for another year. I firmly believe that Azerbaijan does not deserve U.S. support until it removes the blockade of Nagorno-Karabagh, which prevents vital humanitarian assistance from reaching this region.

This is a good bill. I commend Mr. YOUNG, Mr. CALLAHAN, Mr. OBEY and Ms. PELOSI for their hard work to balance our obligations to

the world community with our shared goal of being fiscally responsible. While I would like to have seen more programs funded, including a multi-lateral debt relief package, I am satisfied with the legislation put forward today.

I urge my colleagues to support this legislation.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this compromise agreement, which represents the second version of the Foreign Operations Appropriations bill for FY2000. As we all know, the President vetoed the first bill because it did not provide adequate funding levels to help the United States advance our most important foreign policy priorities. Regrettably, the first version of this bill did not provide any funds to follow through on the commitment of the U.S. under the Wye River Middle East peace agreement.

I am pleased that Chairman YOUNG will offer a manager's amendment today that will provide \$1.8 billion to implement the Wye River Accord. Israel's new Prime Minister, Ehud Barak, has moved with boldness to secure a comprehensive and lasting peace in the Middle East. Israel has followed through on its commitment to withdraw from an additional 10 percent of the West Bank and is moving forward on its planned withdrawal of 3 additional percent on November 15th. Israel has also released 350 political prisoners and will soon open a safety passage route for Palestinians between Gaza and the West Bank. Israel has also begun final status negotiations, hoping to negotiate a conceptual framework on all outstanding issues by February 2000, and permanent agreement by next September.

These actions entail great strategic security risks and financial costs, which Israel has already incurred. Military bases have to be moved, and the increasing threat of terrorism has to be confronted. These strategic vulnerabilities will be addressed through passage of the Young amendment and passage of the underlying bill. For decades, the U.S. has worked with Israel—our most consistent Middle East ally—to provide the aid and military equipment necessary to defend itself against hostile neighbors. In approving the Wye River Aid package, the U.S. has made an important investment in peace that will yield significant long-term dividends for U.S. security interests in a more stable Middle East. It is especially important that Congress act now, as failure to approve the Wye package would have sent a powerfully negative message to the Middle East the rest of the world about U.S. credibility that could have set back the hard-fought momentum on the Middle East peace process.

By approving this bill, we are reaffirming our national priority to achieving a secure and peaceful Middle East. That goal is now closer than ever. I urge my colleagues to support the Young managers amendment, the Foreign Operations Appropriations bill for fiscal 2000, and to strongly support our national interests in the Middle East.

Mr. WEYGAND. Mr. Speaker, I speak in support of the Young amendment to the fiscal year 2000 Foreign Operations Appropriations bill. Chairman YOUNG's amendment would add \$1.8 billion dollars to this bill to fund the United States' commitment to the Wye River Agreement, negotiated a year ago this week-end.

Honoring our commitment is especially critical at this time because implementation of the

Wye River Agreement is continuing. Prime Minister Barak is committed to peace and is moving quickly to develop a comprehensive plan. Already, Israel has redeployed nearly 10 percent of its troops from the West Bank, released 350 political prisoners, opened a safe passage route through the Gaza and the West Bank, and final status negotiations have begun. For her actions, Israel is incurring the high costs of implementation. It is vital that the United States commit its share in order to ensure further progress in the region.

The withdrawal of troops has increased the threat of terrorist attack and increased the strategic vulnerability of Israel. Providing the \$1.2 billion dollars pledged to Israel for military assistance is crucial to ensure that the citizens of Israel remain secure.

Additionally, our credibility is on the line. The United States, Israel, Jordan, and the Palestinians negotiated the Wye River Agreement and all participants must live up to their commitment. Peace in the Middle East has been a central component of the United States' foreign policy for decades. Appropriating funding in this year's budget will send the message that the United States is a full partner in securing a lasting peace in region. Not providing funding for the implementation of the agreement could be a significant set back to the progress already made.

I would be remiss if I did not make note of a provision in this bill that is quite troubling. That provision is the one that would ease restrictions on aid to Indonesia. In August and September we saw unacceptable brutality in East Timor. Today, many East Timorese are still afraid to return to East Timor. Mr. Speaker, we must send a message to the Indonesian government that the United States is committed to ensuring that the results of the elections are upheld. I understand that the Indonesian government is undergoing significant changes and I am pleased that they are moving in the direction of democracy. However, I believe that it is much too soon to begin easing any restrictions on Indonesian aid.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for general debate has expired.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. YOUNG of Florida:

On page 162, after line 25 insert the following:

TITLE VI—INTERNATIONAL AFFAIRS
SUPPLEMENTAL APPROPRIATIONS
BILATERAL ECONOMIC ASSISTANCE
FUNDS APPROPRIATED TO THE PRESIDENT
AGENCY FOR INTERNATIONAL DEVELOPMENT
INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for "International Disaster Assistance", \$27,000,000, to remain available until expended.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For an additional amount for "Urban and Environmental Credit Program Account", \$1,500,000, to remain available until expended, for the cost, as defined in section 502

of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) of the Foreign Assistance Act of 1961.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for "Operating Expenses of the Agency for International Development", \$25,000,000.

OTHER BILATERAL ECONOMIC ASSISTANCE ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund" for assistance for Jordan and for the West Bank and Gaza, \$450,000,000, to remain available until September 30, 2002: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

For an additional amount for "Economic Support Fund", \$168,500,000, to remain available until September 30, 2001.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

For an additional amount for "Assistance for the Independent States of the Former Soviet Union", \$104,000,000, to remain available until September 30, 2001.

INDEPENDENT AGENCY PEACE CORPS

For an additional amount for "Peace Corps", \$10,000,000, to remain available until September 30, 2001.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For an additional amount for "International Narcotics Control and Law Enforcement", \$20,000,000.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs", \$35,000,000.

DEPARTMENT OF THE TREASURY DEBT RESTRUCTURING

For an additional amount for "Debt Restructuring", \$90,000,000, to remain available until expended.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

For the United States Community Adjustment and Investment Program authorized by section 543 of the North American Free Trade Agreement Implementation Act, \$10,000,000, to remain available until September 30, 2001: Provided, That the Secretary may transfer such funds to the North American Development Bank and/or to one or more Federal agencies for the purpose of enabling the Bank or such Federal agencies to assist in carrying out the program by providing technical assistance, grants, loans, loan guarantees, and other financial subsidies endorsed by the interagency finance committee established by section 7 of Execu-

tive Order 12916: Provided further, That no portion of such funds may be transferred to the Bank unless the Secretary shall have first entered into an agreement with the Bank that provides that any such funds may not be used for the Bank's administrative expenses: Provided further, That any funds transferred to the Bank under this head will be in addition to the 10 percent of the paid-in capital paid to the Bank by the United States referred to in section 543 of the Act: Provided further, That any funds transferred to any Federal agency under this head will be in addition to amounts otherwise provided to such agency: Provided further, That any funds transferred to an agency under this head shall be subject to the same terms and conditions as the account to which transferred.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for "Foreign Military Financing Program", \$1,375,000,000, to remain available until September 30, 2002, of which \$1,200,000,000 shall be for grants only for Israel, \$25,000,000 shall be for grants only for Egypt, and \$150,000,000 shall be for grants only for Jordan: Provided, That funds appropriated under this heading shall be non-repayable notwithstanding section 23 of the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not to exceed 26.3 percent shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

PEACEKEEPING OPERATIONS

For an additional amount for "Peacekeeping Operations", \$75,000,000.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For an additional amount for "Contribution to the International Development Association", \$150,000,000, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the inter-American Investment Corporation, by the Secretary of the Treasury, \$16,000,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, \$4,100,000, for the United States paid-in share

of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed \$64,000,000.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For an additional amount for "Contribution to the African Development Fund", \$50,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For an additional amount for "International Organizations and Programs", \$13,000,000.

On page 35 under the heading "Foreign Military Financing Program", strike the second proviso.

The SPEAKER pro tempore. Pursuant to House Resolution 362, the gentleman from Florida (Mr. YOUNG) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this amendment has been discussed at great length during the discussion of the rule and further during general debate. The amendment offers the \$1.825 billion associated with the President's request for implementation of the Wye River Agreement. I think all the Members understand the specifics of that.

It also adds \$799 million to other items that the President had asked for. The difference is he asked for \$1.4 billion, and we negotiated down to \$799 million.

We can go into the details of what these items are during this debate period, but generally that is the outline of the amendment. I think it has general support.

The amendment also includes additional funding for the International Development Association of the World Bank, the Inter-American Investment Corporation, and the African Development Fund.

A total of \$1.2 billion is provided for military assistance for Israel. These funds will be used to help relocate military bases from areas that will fall under the control of the Palestinian Authority under the terms of the Wye Accord. They will also enable Israel to strengthen its strategic defense capability.

As Israel gives up territory, the ability of potential enemies to threaten that country increases; therefore it is essential that its national security assets are strengthened.

The amendment also provides \$200 million in further assistance for Jordan. As members may recall, earlier this year we provided a supplemental appropriation of \$100 million for Jordan at the request of President Clinton. Providing these additional supplemental funds meets the commitment that I and other members gave to King Abdullah that we would ensure that Jordan's needs would be met at the earliest possible time.

Also included in the amendment is \$400 million for assistance for the West Bank and

Gaza. The State Department has told us that no funds appropriated for the West Bank and Gaza will be provided directly to the Palestinian Authority. These funds are for infrastructure improvements, such as roads and water systems, and for economic development activities.

Frankly, I am not entirely comfortable about this portion of the amendment. It is very difficult for me to support funding that will indirectly assist Yasser Arafat and the Palestinian Authority. The only good thing about this portion of the amendment is that it helps implement a peace agreement that should lead to long-term peace and stability in the region.

Finally, the Wye River package in this amendment includes \$25 million in military assistance for Egypt. The Administration had requested the creation of an interest-bearing account for Egyptian military assistance, but the Congressional Budget Office estimated that the Administration's proposal would have cost \$470 million in outlays. Clearly, we could not do that. Therefore we have included a direct appropriation for Egypt which is roughly equal to the interest they would have gained from such an account. I believe this relatively small amount of funding is necessary to support the essential role that Egypt is playing in the Middle East peace process.

Mr. Speaker, it was not until October 15 of this year that the Committee on Appropriations received any detailed information on the proposed uses of the funds requested for the Wye River Accord. This was after the Congress had passed the conference report on Foreign Operations. The total lack of information was one reason the Committee was reluctant to act on the President's request.

Now that we have finally received this information, I ask unanimous consent that it be included in the RECORD. I also want to state that the Committee will consider the information provided in this justification document as the baseline for any proposed reprogramming of funds.

Mr. Speaker, this amendment also includes \$799.1 million in additional funding for a variety of programs. The funding recommendations contained in the amendment are the result of negotiations between the Congress and the White House. Everyone gave up something in these negotiations; the President gets about \$900 million less in funding than he requested, if you exclude funding for the Wye River Accord. We have agreed to provide an additional \$799.1 million in spending.

Mr. Speaker, I believe my amendment has broad, bipartisan support. It fulfills the commitment made by the President at Wye River, and address concerns expressed by the President in his veto message. I strongly urge that members vote in favor of this amendment.

Mr. Speaker, I reserve the balance of my time.

□ 0945

The SPEAKER pro tempore (Mr. Pease). Does the gentlewoman from California (Ms. PELOSI) seek to claim the time in opposition?

Ms. PELOSI. No, Mr. Speaker, I support the amendment, but I claim the opposition time in support of the amendment.

The SPEAKER pro tempore. Without objection, the gentlewoman from California (Ms. PELOSI) is recognized for 10 minutes.

There was no objection.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of the gentleman's amendment. I am glad that through all of this that we were able to get, as I said earlier, a very robust figure for the Wye River agreement. It is something that the American people support. It is a very high priority for the President of the United States. It occurs within the context of people in the region working very, very hard for peace. And as my colleagues just saw from the recent meetings in Oslo, people outside the region are taking a very strong interest. Everyone is hopefully doing his or her part on this and it is important for us to do our part as well. And I am very pleased that the Republican majority, our distinguished chairman, has agreed to include the Wye River agreement funding in this legislation.

I am still expressing some disappointment that we do not have as much resources applied to the debt reduction, and I would hope by the end of this process, be that next week or whenever, that we will have multilateral debt reduction included in the legislation. Because that is, as I mentioned earlier, central to lifting these countries, these emerging and fragile democracies, from their unfortunate pasts and bringing them, as we go into the new millennium, a more brilliant future, with a small price to pay. It is a very small investment on our part, with the tens of millions of dollars yielding tens of billions of dollars of benefit for the economies of these regions.

There are other initiatives in the bill that I wish could have received more attention, but again this is a compromise. This is a good amendment, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY). Many, many Members, Mr. Speaker, have been supportive of this amendment to include the Wye River agreement, and none has been more forthcoming and outspoken than my colleague from Florida.

Mr. FOLEY. Mr. Speaker, I thank the distinguished chairman from Florida for his hard work on all of the appropriations bills, but specifically this one which has been most contentious, but welcomed to the floor today.

Specifically, I just wanted to mention to my colleagues that I returned from Israel several weeks ago, and I found the peace process moving along expeditiously. The one thing that is vitally important today is an amendment offered by the chairman which would add the money for the Wye River Accord, giving \$1.8 billion total; \$1.2 for Israel, \$400 million for economic support and assistance for the West Bank and Gaza, \$200 million for Jordan, including \$50 million in economic support and assistance and \$150 million for

military aid, \$25 million in military support for Egypt.

These are vital funds, and I appreciate the chairman working so hard to place these dollars in the bill because it means meaningful peace for a region that has been wracked with turmoil. So I commend this bill to the floor.

I again want to mention as well my colleague, the gentleman from Florida (Mr. WEXLER), who joined with me several weeks ago, at his insistence, in authoring a letter to the leadership asking that this money be included. And, again, through the hard work of the chairman, the gentleman from Florida (Mr. YOUNG), through the cooperation of the ranking member, the gentlewoman from California (Ms. PELOSI), we find that this in fact has been accomplished today.

So I would ask all of my colleagues who are listening today to urge support for this vital bill, urge support of the amendment, and move the peace process forward. We find right now, I think, the best opportunity for lasting peace. All the players are at the peace table, all the players are anxious for stability, King Abdullah of Jordan, Mr. Barak, the new Prime Minister of Israel, the Palestinian Authority, Mr. Arafat, have all finally joined together to achieve lasting peace.

Nothing could be more meaningful for the leadership of the United States of America than achieving it through the mechanisms provided in this bill. So, again, I thank all parties involved, but specifically again my chairman from Florida.

I want to thank the chairman's family, specifically his wife Bev and his two boys, for sharing him with us on this floor, for giving his time to provide the leadership necessary to usher in these bills. I know it is difficult for all Members who have families, but specifically the gentleman from Florida (Mr. YOUNG), who has dedicated so much time to all these issues.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the full Committee on Appropriations.

Mr. OBEY. Mr. Speaker, we do not occupy this planet alone. There are billions of other people that occupy it with us. Many of them are our friends, some of them are our implacable enemies. This bill represents one tool through which we exercise both our responsibilities to other human beings on this globe and, at the same time, we exercise our responsibilities to ourselves to try to keep these regions stable so that our own national security is maximized.

We have huge arguments about this bill, but in fact foreign assistance amounts to far less than 1 percent of the entire Federal budget. I know the public does not know that, but that is, in fact, true. I happen to believe that persons who serve on this subcommittee and work to see that we meet our responsibilities in this area

are patriots of the highest order. I think that the chairman and the ranking member of this subcommittee have a thankless job, because no one understands the responsibilities that are being met in this legislation. It is an easy bill to demagogue, but this bill is in fact central to keeping this world a more civilized place and keeping our place in it more secure than it would otherwise be.

I think the gentleman's amendment is a constructive approach. We will need to work out, as I say, further details as we move along, but I intend to support it at this stage and would urge other Members to do the same.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. KILPATRICK), a very distinguished member of the subcommittee.

Ms. KILPATRICK. Mr. Speaker, after much deliberation and bipartisan support we have come to what we believe is an adequate compromise for our foreign operations budget. We have come a long way, and we still have yet a long ways to go, but this is certainly a step in the right direction.

I want to commend the chairman of the subcommittee, the gentleman from Alabama (Mr. CALLAHAN) for his hard work, and the bipartisan nature for which he runs our committee; and our ranking member, the gentlewoman from California (Ms. PELOSI), for all her hard work to make us a team as we work to get the best bill possible.

We still have major problems in the world, that include HIV/AIDS and its epidemic that is moving across the world. We still have to build infrastructures and roads and schools and health centers so that people can live, and we have a responsibility in that as the greatest country in the world. We have a long way to go, but this is certainly a better bill than it was when it came out of subcommittee, when it came off the floor for the first conference, and I urge my colleagues to support the bill.

This is not perfect, but certainly it is a step in the right direction, Mr. Speaker. Again, I say to our ranking member that I appreciate her leadership, and we look forward to continuing to work with her as we look to Africa and all of its natural resources and all of the things that it has to offer; that we do our part to make sure that over 750 million people on that continent have their rightful place and are able to participate in the world.

Ms. PELOSI. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY), a distinguished member of our subcommittee, who has been a leader in this Congress and in the country on the issue of Middle East peace.

Mrs. LOWEY. Mr. Speaker, I thank the ranking member for yielding me this time, and I rise in support of this bill and the Young amendment.

Mr. Speaker, I am extremely gratified that after weeks of political brinkmanship the majority, the mi-

nority, and the administration have arrived at a reasonable compromise on this legislation. I do want to commend the distinguished chairman of our subcommittee, my good friend, the gentleman from Alabama (Mr. CALLAHAN), our distinguished ranking member, who has done an outstanding job, my good friend, the gentlewoman from California (Ms. PELOSI), the chair, our overall chair, the gentleman from Florida (Mr. YOUNG), and certainly our ranking chair, the gentleman from Wisconsin (Mr. OBEY), who have worked so hard to make this day possible.

I also want to thank the President and his negotiators for bringing to the floor today a reasonable bill that is clearly the product of good faith negotiations.

I am also delighted that with this bill and the Young amendment we are fulfilling our important commitment to the Middle East peace process, a cornerstone of United States foreign policy for over half a century. Today, Congress can demonstrate our commitment to promoting U.S. national security interests in the Middle East and can prove our dedication to achieving a lasting and secure peace as the parties move into the toughest stage of negotiations.

The compromise reached late last night will also fund another of many important priorities, such as the International Development Association, which provides assistance to the poorest of the poor; the African Development Fund; the Independent States of the Former Soviet Union; and the Peace Corps.

But let us not make any mistake, this bill is not perfect. It fails to provide adequately, in my judgment, for other critical programs, including our participation in the G7 debt relief initiative, and it does not include important provisions designed to encourage Indonesia's cooperation in expediting peace and independence in East Timor. I pledge to work with my colleagues in the coming months to provide support for these important priorities.

The bill with the Young amendment represents a fair and reasonable compromise on our foreign assistance priorities. I am confident that this measure will help the United States maintain its role as a world leader, and I want to thank my colleagues again.

Mr. YOUNG of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the subcommittee.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I only found out about this problem yesterday, and maybe there is a problem and maybe there is not. We do know that there is more than \$4 billion included in this bill for Israel, which is the will of the House and the request of the administration. However, I found out yesterday that an

American manufacturing company was denied to be a part of the bidding process for some airplanes for El Al Airlines in Israel.

In fact, we have been informed by the President of the American company that they were told by the President of El Al that the management of El Al made a strategic decision not to allow the American corporation into the competition.

I think, Mr. Speaker, that this is not a proper way to treat an American corporation who has thousands of American employees who are paying millions of dollars into taxes that we are then taking and giving to the State of Israel. I think this is not the right way to do business.

Maybe it is not being done as was presented to me yesterday, but certainly, Mr. Speaker, if it is being done, the Israeli-backed airline El Al ought to reconsider their decision to deny an American airplane manufacturing company to be included in the bidding process, which is to the advantage of Airbus, which is a French corporation.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume and, in conclusion, I want to again commend the distinguished leadership on the majority and minority side for their cooperation in bringing this compromise to the floor.

But I also want to acknowledge the leadership of President Clinton and the members of his cabinet who worked with us on this bill; Secretary Albright, for her important role in the world and her cooperation with our subcommittee and full committee; and Secretary Summers now, and Secretary Rubin before him earlier this year. These distinguished cabinet members provide a real service to our country in the work that they do, not only in Mr. Summers' case domestically but in his international role as well.

So I want to commend President Clinton. His priorities are excellent. He fought to have those initiatives funded, and the President is offsetting the spending. The President is offering offsets to the spending in the bill. So this is a very good resolution. We have a compromise, we have the President's initiatives respected to a certain extent, they could be more fully respected and hopefully that will emerge later, but in any case this President's spending is offset.

I commend the President for his leadership in the world. As I have said before, in our community our anthem is "Make me a channel of God's peace," the anthem of St. Francis. I think President Clinton's work is allowing our country to be a channel of God's peace, and I commend him for that and urge my colleagues to vote "aye" on this bill.

Mr. Speaker, I yield back the balance of my time.

□ 1000

Mr. YOUNG of Florida. Mr. Speaker, I yield 1½ minutes to the gentlewoman

from Ohio (Ms. KAPTUR), who is a member of the Committee on Appropriations.

Ms. KAPTUR. Mr. Speaker, I thank the chairman of the full committee, the gentleman from Florida (Mr. YOUNG), and I do underline "gentleman." I want to compliment him on carrying through these negotiations, along with the gentleman from Alabama (Mr. CALLAHAN), the chairman of the subcommittee, who have worked so vigilantly with the ranking members of the full committee, the gentleman from Wisconsin (Mr. OBEY) and also the gentlewoman from California (Ms. PELOSI), the distinguished ranking member of the subcommittee, who has done such a tremendous job in bringing a compromise measure to the floor.

I just want to say before discussion closes here that, as the Wye Accords move forward, I think it is very important for the administration and this Congress to recognize that building peace takes a long time. And we have one important ingredient of the peace process under which the subcommittee, of which I am ranking member, has something to offer; and that is using the tremendous power of our food aid programs under section 416 and P.L. 480 in the West Bank to help Israel with its desalinization efforts and also in Lebanon, because we know the funding in this bill is not sufficient to meet the needs of the peace process.

These programs have largely not been used in this region simply because of the instability of the region. But now that the peace process is moving forward, it is amazing what can be done if we look at a country like Lebanon. Using food aid creatively, monetizing it in a counterpart way, a country could double the number of villages that are being assisted.

In the West Bank this has never been used, and we know that the funds are insufficient there. So we could have a win for America for our farmers, for our rural communities. We could also have a win for the peace process. I wanted to highlight that as these discussions close this morning.

Again, we thank those here who were able to reach a final compromise and bring this measure to conclusion.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, in closing the debate on the issue of the Young amendment, again I want to thank the gentleman from Alabama (Mr. CALLAHAN), chairman of the subcommittee, for his very diligent efforts to get us to the point that we are today. Because with passage of this amendment and passage of this bill, we have overcome one of the final obstacles to having the Congress complete its work, at least its appropriations work, for the year.

I think the good news is that once we have done this, the other outstanding issues should come together fairly quickly. This was a major obstacle, and all the players have done a great job in getting us to where we are.

Mr. Speaker, I ask for a yes vote on the amendment, and then I ask for a yes vote on the bill.

Mr. SHAW. Mr. Speaker, I rise in support of H.R. 3196, the Foreign Operations Appropriation Act which includes new provisions which would provide full funding of almost \$1.9 billion for the Wye River Agreement.

I would like to thank Chairman YOUNG for his leadership in ensuring that the United States maintains its international leadership around the world, but particularly in the Middle East. The history-making Wye River Agreement itself will not ensure a lasting peace and stability without the United States continued engagement and support.

This amendment offered by BILL YOUNG, my friend from Florida will enable Israel, Palestine, Jordan and Egypt to continue the difficult negotiations to which they have already committed so much. We are all aware that many difficult issues remain to be resolved, and that each of these nations will have to give even more.

I am especially grateful to some key Jewish leaders and prominent citizens in my district who have never wavered in their commitment to the Wye River Accord. They have been keeping me informed about the delicate negotiations and the need for continuing United States leadership in this very important region of the world. I urge my colleagues to support H.R. 3196 and the Young amendment.

Mr. YOUNG of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 362, the previous question is ordered on the bill and on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 351, nays 58, not voting 24, as follows:

[Roll No. 571]

YEAS—351

Abercrombie	Berry	Bryant	Coyne	Kildee	Quinn
Ackerman	Biggart	Burr	Crane	Kilpatrick	Radanovich
Aderholt	Bilirakis	Calvert	Crowley	Kind (WI)	Rahall
Allen	Bishop	Camp	Cubin	King (NY)	Ramstad
Andrews	Blagojevich	Campbell	Cummings	Kingston	Rangel
Archer	Bliley	Canady	Danner	Kleczka	Regula
Armey	Blumenauer	Cannon	Davis (FL)	Klink	Reynolds
Bachus	Blunt	Capps	Davis (IL)	Knollenberg	Riley
Baird	Boehlert	Capuano	Davis (VA)	Kolbe	Rivers
Baldacci	Boehner	Cardin	DeFazio	Kucinich	Rodriguez
Baldwin	Boniilla	Carson	DeGette	Kuykendall	Rogan
Barcia	Bonior	Castle	DeLahunt	LaFalce	Ros-Lehtinen
Barrett (NE)	Bono	Chabot	DeLauro	LaHood	Rothman
Barrett (WI)	Borski	Clayton	DeLay	Lampson	Roukema
Barton	Boswell	Clement	Deusch	Lantos	Roybal-Allard
Bass	Boucher	Clyburn	Diaz-Balart	Larson	Rush
Bateman	Boyd	Condit	Dicks	Latham	Ryan (WI)
Becerra	Brady (PA)	Conyers	Dingell	LaTourette	Sabo
Bentsen	Brady (TX)	Cook	Dixon	Lazio	Salmon
Berkley	Brown (FL)	Cooksey	Doggett	Leach	Sanchez
Berman	Brown (OH)	Costello	Dooley	Lee	Sanders
			Doyle	Levin	Sandlin
			Dreier	Lewis (CA)	Sawyer
			Dunn	Lewis (GA)	Saxton
			Edwards	Linder	Schakowsky
			Ehlers	Lipinski	Scott
			Ehrlich	LoBiondo	Serrano
			Engel	Lofgren	Shadegg
			English	Lowey	Shaw
			Eshoo	Lucas (KY)	Shays
			Etheridge	Lucas (OK)	Sherman
			Evans	Luther	Sherwood
			Ewing	Maloney (CT)	Shimkus
			Farr	Maloney (NY)	Shows
			Fattah	Manzullo	Shuster
			Filner	Mascara	Simpson
			Fletcher	Matsui	Siskisky
			Foley	McCarthy (MO)	Skeen
			Forbes	McCarthy (NY)	Skelton
			Ford	McCollum	Slaughter
			Fossella	McCrery	Smith (MI)
			Fowler	McDermott	Smith (NJ)
			Frank (MA)	McGovern	Smith (TX)
			Franks (NJ)	McHugh	Smith (WA)
			Frelinghuysen	McIntosh	Snyder
			Frost	McIntyre	Souder
			Gallegly	McKeon	Spratt
			Ganske	McKinney	Stabenow
			Gejdenson	McNulty	Stark
			Gekas	Meek (FL)	Stearns
			Gibbons	Meeks (NY)	Stenholm
			Gilchrest	Menendez	Strickland
			Gilman	Metcalf	Stupak
			Gonzalez	Mica	Sununu
			Goode	Millender-	Sweeney
			Goodlatte	McDonald	Talent
			Gordon	Miller, Gary	Tanner
			Granger	Miller, George	Tauscher
			Green (TX)	Minge	Tauzin
			Green (WI)	Mink	Terry
			Greenwood	Moakley	Thomas
			Gutierrez	Moore	Thompson (CA)
			Gutknecht	Moran (KS)	Thompson (MS)
			Hall (OH)	Morella	Thune
			Hall (TX)	Murtha	Thurman
			Hastings (FL)	Myrick	Tiahrt
			Hayworth	Nadler	Tierney
			Hefley	Napolitano	Traficant
			Hill (IN)	Neal	Turner
			Hilliard	Nethercutt	Udall (CO)
			Hinchey	Ney	Udall (NM)
			Hinojosa	Nussle	Velazquez
			Hobson	Oberstar	Vento
			Hoefl	Obey	Visclosky
			Holden	Olver	Vitter
			Holt	Ortiz	Walden
			Hooley	Ose	Walsh
			Horn	Owens	Waters
			Houghton	Oxley	Watt (NC)
			Hoyer	Packard	Watts (OK)
			Hulshof	Pallone	Waxman
			Hutchinson	Pascrell	Weiner
			Hyde	Pastor	Weldon (FL)
			Inslee	Payne	Weldon (PA)
			Isakson	Pease	Weller
			Jackson (IL)	Pelosi	Wexler
			Jackson-Lee	Peterson (MN)	Weygand
			(TX)	Peterson (PA)	Whitfield
			Jefferson	Phelps	Wicker
			John	Pickering	Wilson
			Johnson (CT)	Pickett	Wise
			Johnson, E. B.	Pitts	Wolf
			Jones (OH)	Pombo	Woolsey
			Kaptur	Porter	Wu
			Kasich	Portman	Wynn
			Kelly	Price (NC)	Young (FL)
			Kennedy	Pryce (OH)	

NAYS—58

Baker	Gillmor	Roemer
Ballenger	Goodling	Rogers
Barr	Goss	Rohrabacher
Bartlett	Graham	Royce
Bilbray	Hoekstra	Ryun (KS)
Burton	Hayes	Sanford
Buyer	Herger	Schaffer
Callahan	Hill (MT)	Sensenbrenner
Chambliss	Hilleary	Sessions
Chenoweth-Hage	Hoekstra	Spence
Coble	Hostettler	Stump
Coburn	Hunter	Tancredo
Collins	Istook	Taylor (MS)
Combest	Jenkins	Thornberry
Deal	Jones (NC)	Toomey
DeMint	Largent	Upton
Doolittle	Lewis (KY)	Wamp
Duncan	Miller (FL)	Watkins
Emerson	Paul	
Everett	Petri	

NOT VOTING—24

Bereuter	Johnson, Sam	Northup
Clay	Kanjorski	Norwood
Cox	Markey	Pomeroy
Cramer	Martinez	Reyes
Cunningham	McInnis	Scarborough
Dickey	Meehan	Taylor (NC)
Gephardt	Mollohan	Towns
Hastings (WA)	Moran (VA)	Young (AK)

□ 1023

Messrs. SCHAFFER of Colorado, BARTLETT of Maryland, ROHR-ABACHER, GILLMOR, BURTON of Indiana, Mrs. EMERSON and Mrs. CHENOWETH-HAGE changed their vote from "yea" to "nay."

Mr. TIAHRT and Mr. RILEY changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NORTHUP. Mr. Speaker, on rollcall No. 571, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. CUNNINGHAM. Mr. Speaker, on rollcall No. 571, I voted with my card. I voted "yea." I noticed my name was not on the list. I voted "yea," but I am not recorded for some reason. If I had been recorded, I would have voted "yea."

The SPEAKER pro tempore (Mr. PEASE). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 316, nays 100, not voting 17, as follows:

[Roll No. 572]

YEAS—316

Abercrombie	Berkley	Brady (PA)
Ackerman	Berman	Brown (FL)
Aderholt	Biggart	Brown (OH)
Allen	Bilirakis	Bryant
Andrews	Bishop	Calvert
Armey	Blagojevich	Camp
Bachus	Bliley	Campbell
Baird	Blumenauer	Canady
Baker	Blunt	Cannon
Baldacci	Boehlert	Capps
Baldwin	Boehner	Capuano
Barcia	Bonilla	Cardin
Barrett (NE)	Bonior	Carson
Barrett (WI)	Bono	Castle
Bass	Borski	Chabot
Bateman	Boswell	Clayton
Becerra	Boucher	Clement
Bentsen	Boyd	Clyburn

Conyers	Kaptur	Porter	Doolittle	Largent	Sanford
Cooksey	Kasich	Portman	Duncan	Lewis (KY)	Schaffer
Costello	Kelly	Price (NC)	Emerson	Lucas (KY)	Sensenbrenner
Cox	Kennedy	Pryce (OH)	Everett	Lucas (OK)	Sessions
Coyne	Kildee	Quinn	Gibbons	Manzullo	Sherwood
Crowley	Kilpatrick	Radanovich	Goode	McIntyre	Smith (MI)
Cummings	Kind (WI)	Ramstad	Goodling	Miller (FL)	Smith (NJ)
Davis (FL)	King (NY)	Rangel	Goss	Moran (KS)	Spence
Davis (IL)	Kleckza	Regula	Graham	Nethercutt	Stark
Davis (VA)	Klink	Reynolds	Green (WI)	Paul	Stearns
DeGette	Knollenberg	Riley	Hall (TX)	Pease	Stump
Delahunt	Kolbe	Rivers	Hansen	Peterson (MN)	Tancredo
DeLauro	Kucinich	Rodriguez	Hayes	Peterson (PA)	Tanner
DeLay	Kuykendall	Rogan	Hefley	Petri	Taylor (MS)
Deutsch	LaFalce	Ros-Lehtinen	Herger	Pitts	Thornberry
Diaz-Balart	LaHood	Rothman	Hill (MT)	Pombo	Thune
Dicks	Lampson	Roybal-Allard	Hilleary	Pomeroy	Tiahrt
Dingell	Lantos	Rush	Hoekstra	Rahall	Toomey
Dixon	Larson	Sabo	Hostettler	Roemer	Trafficant
Doggett	Latham	Salmon	Hunter	Rogers	Upton
Dooley	LaTourrette	Sanchez	Hutchinson	Rohrabacher	Wamp
Doyle	Lazio	Sanders	Istook	Roukema	Watkins
Dreier	Leach	Sandlin	Jenkins	Royce	Weldon (FL)
Dunn	Lee	Sawyer	Jones (NC)	Ryan (WI)	
Edwards	Levin	Saxton	Kingston	Ryun (KS)	
Ehlers	Lewis (CA)	Schakowsky			
Ehrlich	Lewis (GA)	Scott			
Engel	Linder	Serrano			
English	Lipinski	Shadegg			
Eshoo	LoBiondo	Shaw			
Etheridge	Lofgren	Shays			
Evans	Lowe	Sherman			
Ewing	Luther	Shimkus			
Farr	Maloney (CT)	Shows			
Fattah	Maloney (NY)	Shuster			
Filner	Markey	Simpson			
Fletcher	Mascara	Sisisky			
Foley	Matsui	Skeen			
Forbes	McCarthy (MO)	Skelton			
Ford	McCarthy (NY)	Slaughter			
Fossella	McCollum	Smith (TX)			
Fowler	McCrery	Smith (WA)			
Frank (MA)	McDermott	Snyder			
Franks (NJ)	McGovern	Souder			
Frelinghuysen	McHugh	Spratt			
Frost	McIntosh	Stabenow			
Gallegly	McKeon	Stenholm			
Ganske	McKinney	Strickland			
Gejdenson	McNulty	Stupak			
Gekas	Meek (FL)	Sununu			
Gephardt	Meeks (NY)	Sweeney			
Gillmor	Menendez	Talent			
Gilman	Metcalf	Tauscher			
Gonzalez	Mica	Tauzin			
Goodlatte	Millender-	Terry			
Gordon	McDonald	Thomas			
Granger	Miller, Gary	Thompson (CA)			
Green (TX)	Miller, George	Thompson (MS)			
Greenwood	Minge	Thurman			
Gutierrez	Mink	Tierney			
Gutknecht	Moakley	Towns			
Hall (OH)	Moore	Turner			
Hastings (FL)	Moran (VA)	Udall (CO)			
Hayworth	Morella	Udall (NM)			
Hill (IN)	Murtha	Velazquez			
Hilliary	Myrick	Vento			
Hinche	Nadler	Visclosky			
Hinojosa	Napolitano	Vitter			
Hobson	Neal	Walden			
Hoefel	Ney	Walsh			
Holden	Northup	Waters			
Holt	Nussle	Watt (NC)			
Hookey	Oberstar	Watts (OK)			
Horn	Obey	Waxman			
Houghton	Olver	Weiner			
Hoyer	Ortiz	Weldon (PA)			
Hulshof	Ose	Weller			
Hyde	Owens	Wexler			
Inslee	Oxley	Weygand			
Isakson	Packard	Whitfield			
Jackson (IL)	Pallone	Wicker			
Jackson-Lee	Pascarell	Wilson			
(TX)	Pastor	Wise			
Jefferson	Payne	Wolf			
John	Pelosi	Woolsey			
Johnson (CT)	Phelps	Wu			
Johnson, E. B.	Pickering	Wynn			
Jones (OH)	Pickett	Young (FL)			

NAYS—100

Archer	Burton	Condit
Ballenger	Buyer	Cook
Barr	Callahan	Crane
Bartlett	Chambliss	Cubin
Barton	Chenoweth-Hage	Cunningham
Berry	Coble	Danner
Bilbray	Coburn	Deal
Brady (TX)	Collins	DeFazio
Burr	Combest	DeMint

Doolittle	Largent	Sanford
Duncan	Lewis (KY)	Schaffer
Emerson	Lucas (KY)	Sensenbrenner
Everett	Lucas (OK)	Sessions
Gibbons	Manzullo	Sherwood
Goode	McIntyre	Smith (MI)
Goodling	Miller (FL)	Smith (NJ)
Goss	Moran (KS)	Spence
Graham	Nethercutt	Stark
Green (WI)	Paul	Stearns
Hall (TX)	Pease	Stump
Hansen	Peterson (MN)	Tancredo
Hayes	Peterson (PA)	Tanner
Hefley	Petri	Taylor (MS)
Herger	Pitts	Thornberry
Hill (MT)	Pombo	Thune
Hilleary	Pomeroy	Tiahrt
Hoekstra	Rahall	Toomey
Hostettler	Roemer	Trafficant
Hunter	Rogers	Upton
Hutchinson	Rohrabacher	Wamp
Istook	Roukema	Watkins
Jenkins	Royce	Weldon (FL)
Jones (NC)	Ryan (WI)	
Kingston	Ryun (KS)	

NOT VOTING—17

Bereuter	Johnson, Sam	Norwood
Clay	Kanjorski	Reyes
Cramer	Martinez	Scarborough
Dickey	McInnis	Taylor (NC)
Gilchrist	Meehan	Young (AK)
Hastings (WA)	Mollohan	

□ 1041

Mr. PETERSON of Pennsylvania and Mrs. ROUKEMA changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3073

Mr. STARK. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor from H.R. 3073.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from California?

There was no objection.

MEDICARE, MEDICAID, AND SCHIP BALANCED BUDGET REFINEMENT ACT OF 1999

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3075) to amend title XVIII of the Social Security Act to make corrections and refinements in the Medicare Program, as revised by the Balanced Budget Act of 1997, as amended.

The Clerk read as follows:

H.R. 3075

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

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES TO BBA; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999".

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) REFERENCES TO BALANCED BUDGET ACT OF 1997.—In this Act, the term “BBA” means the Balanced Budget Act of 1997 (Public Law 105-33).

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; amendments to Social Security Act; references to BBA; table of contents.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

Sec. 101. One-year delay in transition for indirect medical education (IME) percentage adjustment.

Sec. 102. Decrease in reductions for disproportionate share hospitals; data collection requirements.

Subtitle B—PPS Exempt Hospitals

Sec. 111. Wage adjustment of percentile cap for PPS-exempt hospitals.

Sec. 112. Enhanced payments for long-term care and psychiatric hospitals until development of prospective payment systems for those hospitals.

Sec. 113. Per discharge prospective payment system for long-term care hospitals.

Sec. 114. Per diem prospective payment system for psychiatric hospitals.

Sec. 115. Refinement of prospective payment system for inpatient rehabilitation services.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

Sec. 121. Temporary increase in payment for certain high cost patients.

Sec. 122. Market basket increase.

Sec. 123. Authorizing facilities to elect immediate transition to Federal rate.

Sec. 124. Part A pass-through payment for certain ambulance services, prostheses, and chemotherapy drugs.

Sec. 125. Provision for part B add-ons for facilities participating in the NHCMQ demonstration project.

Sec. 126. Special consideration for facilities serving specialized patient populations.

Sec. 127. MedPAC study on special payment for facilities located in Hawaii and Alaska.

Subtitle D—Other

Sec. 131. Part A BBA technical corrections.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

Sec. 201. Modification of update adjustment factor provisions to reduce update oscillations and require estimate revisions.

Sec. 202. Use of data collected by organizations and entities in determining practice expense relative values.

Sec. 203. GAO study on resources required to provide safe and effective outpatient cancer therapy.

Subtitle B—Hospital Outpatient Services

Sec. 211. Outlier adjustment and transitional pass-through for certain medical devices, drugs, and biologicals.

Sec. 212. Establishing a transitional corridor for application of OPD PPS.

Sec. 213. Delay in application of prospective payment system to cancer center hospitals.

Sec. 214. Limitation on outpatient hospital copayment for a procedure to the hospital deductible amount.

Subtitle C—Other

Sec. 221. Application of separate caps to physical and speech therapy services.

Sec. 222. Transitional outlier payments for therapy services for certain high acuity patients.

Sec. 223. Update in renal dialysis composite rate.

Sec. 224. Temporary update in durable medical equipment and oxygen rates.

Sec. 225. Requirement for new proposed rule-making for implementation of inherent reasonableness policy.

Sec. 226. Increase in reimbursement for pap smears.

Sec. 227. Refinement of ambulance services demonstration project.

Sec. 228. Phase-in of PPS for ambulatory surgical centers.

Sec. 229. Extension of medicare benefits for immunosuppressive drugs.

Sec. 230. Additional studies.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

Sec. 301. Adjustment to reflect administrative costs not included in the interim payment system.

Sec. 302. Delay in application of 15 percent reduction in payment rates for home health services until 1 year after implementation of prospective payment system.

Sec. 303. Clarification of surety bond requirements.

Sec. 304. Technical amendment clarifying applicable market basket increase for PPS.

Subtitle B—Direct Graduate Medical Education

Sec. 311. Use of national average payment methodology in computing direct graduate medical education (DGME) payments.

Sec. 312. Initial residency period for child neurology residency training programs.

Subtitle C—Other

Sec. 321. GAO study on geographic reclassification.

Sec. 322. MedPAC study on medicare payment for non-physician health professional clinical training in hospitals.

TITLE IV—RURAL PROVIDER PROVISIONS

Sec. 401. Permitting reclassification of certain urban hospitals as rural hospitals.

Sec. 402. Update of standards applied for geographic reclassification for certain hospitals.

Sec. 403. Improvements in the critical access hospital (CAH) program.

Sec. 404. 5-year extension of medicare dependent hospital (MDH) program.

Sec. 405. Rebased for certain sole community hospitals.

Sec. 406. Increased flexibility in providing graduate physician training in rural areas.

Sec. 407. Elimination of certain restrictions with respect to hospital swing bed program.

Sec. 408. Grant program for rural hospital transition to prospective payment.

Sec. 409. MedPAC study of rural providers.

Sec. 410. Expansion of access to paramedic intercept services in rural areas.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

Sec. 501. Phase-in of new risk adjustment methodology.

Sec. 502. Encouraging offering of Medicare+Choice plans in areas without plans.

Sec. 503. Modification of 5-year re-entry rule for contract terminations.

Sec. 504. Continued computation and publication of AAPCC data.

Sec. 505. Changes in Medicare+Choice enrollment rules.

Sec. 506. Allowing variation in premium waivers within a service area if Medicare+Choice payment rates vary within the area.

Sec. 507. Delay in deadline for submission of adjusted community rates and related information.

Sec. 508. 2 year extension of medicare cost contracts.

Sec. 509. Medicare+Choice nursing and allied health professional education payments.

Sec. 510. Reduction in adjustment in national per capita Medicare+Choice growth percentage for 2002.

Sec. 511. Deeming of Medicare+Choice organization to meet requirements.

Sec. 512. Miscellaneous changes and studies.

Sec. 513. MedPAC report on medicare MSA (medical savings account) plans.

Sec. 514. Clarification of nonapplicability of certain provisions of discharge planning process to Medicare+Choice plans.

Subtitle B—Managed Care Demonstration Projects

Sec. 521. Extension of social health maintenance organization demonstration (SHMO) project authority.

Sec. 522. Extension of medicare community nursing organization demonstration project.

Sec. 523. Medicare+Choice competitive bidding demonstration project.

Sec. 524. Extension of medicare municipal health services demonstration projects.

Sec. 525. Medicare coordinated care demonstration project.

TITLE VI—MEDICAID

Sec. 601. Making medicaid DSH transition rule permanent.

Sec. 602. Increase in DSH allotment for certain States and the District of Columbia.

Sec. 603. New prospective payment system for Federally-qualified health centers and rural health clinics.

Sec. 604. Parity in reimbursement for certain utilization and quality control services.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

Sec. 701. Stabilizing the SCHIP allotment formula.

Sec. 702. Increased allotments for territories under the State children's health insurance program.

TITLE I—PROVISIONS RELATING TO PART A

Subtitle A—PPS Hospitals

SEC. 101. ONE-YEAR DELAY IN TRANSITION FOR INDIRECT MEDICAL EDUCATION (IME) PERCENTAGE ADJUSTMENT.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)), as amended by section 4621(a)(1) of BBA, is amended—

(1) in subclause (IV), by inserting “and 2001” after “2000”; and

(2) by striking "2000" in subclause (V) and inserting "2001".

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF STANDARDIZED AMOUNT.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)), as amended by section 4621(a)(2) of BBA, is amended by inserting "or any additional payments under such paragraph resulting from the amendment made by section 101(a) of Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999" after "Balanced Budget Act of 1997".

SEC. 102. DECREASE IN REDUCTIONS FOR DISPROPORTIONATE SHARE HOSPITALS; DATA COLLECTION REQUIREMENTS.

(a) IN GENERAL.—Section 1886(d)(5)(F)(ix) (42 U.S.C. 1395ww(d)(5)(F)(ix)), as added by section 4403(a) of BBA, is amended—

(1) in subclause (III), by striking "during fiscal year 2000" and inserting "during each of fiscal years 2000 and 2001";

(2) by striking subclause (IV);

(3) by redesignating subclauses (V) and (VI) and subclauses (IV) and (V), respectively; and

(4) in subclause (IV), as so redesignated, by striking "reduced by 5 percent" and inserting "reduced by 4 percent".

(b) DATA COLLECTION.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall require any subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B))) to submit to the Secretary, in the cost reports submitted to the Secretary by such hospital for discharges occurring during a fiscal year, data on the costs incurred by the hospital for providing inpatient and outpatient hospital services for which the hospital is not compensated, including non-medicare bad debt, charity care, and charges for medicaid an indigent care.

(2) EFFECTIVE DATE.—The Secretary shall require the submission of the data described in paragraph (1) in cost reports for cost reporting periods beginning on or after the date of the enactment of this Act.

Subtitle B—PPS-Exempt Hospitals

SEC. 111. WAGE ADJUSTMENT OF PERCENTILE CAP FOR PPS-EXEMPT HOSPITALS.

(a) IN GENERAL.—Section 1886(b)(3)(H) (42 U.S.C. 1395ww(b)(3)(H)), as amended by section 4414 of BBA, is amended—

(1) in clause (i), by inserting " , as adjusted under clause (iii)" before the period,

(2) in clause (ii), by striking "clause (i)" and "such clause" and inserting "subclause (I)" and "such subclause" respectively,

(3) by striking "(H)(i)" and inserting "(ii)(I)",

(4) by redesignating clauses (ii) and (iii) as subclauses (II) and (III),

(5) by inserting after clause (ii), as so redesignated, the following new clause:

"(iii) In applying clause (ii)(I) in the case of a hospital or unit, the Secretary shall provide for an appropriate adjustment to the labor-related portion of the amount determined under such subparagraph to take into account differences between average wage-related costs in the area of the hospital and the national average of such costs within the same class of hospital.", and

(6) by inserting before clause (ii), as so redesignated, the following new clause:

"(H)(i) In the case of a hospital or unit that is within a class of hospital described in clause (iv), for a cost reporting period beginning during fiscal years 1998 through 2002, the target amount for such a hospital or unit may not exceed the amount as updated up to or for such cost reporting period under clause (ii)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to cost report-

ing periods beginning on or after October 1, 1999.

SEC. 112. ENHANCED PAYMENTS FOR LONG-TERM CARE AND PSYCHIATRIC HOSPITALS UNTIL DEVELOPMENT OF PROSPECTIVE PAYMENT SYSTEMS FOR THOSE HOSPITALS.

Section 1886(b)(2) (42 U.S.C. 1395ww(b)(2)), as added by section 4415(b) of BBA, is amended—

(1) in subparagraph (A), by striking "In addition to" and inserting "Except as provided in subparagraph (E), in addition to"; and

(2) by adding at the end the following new subparagraph:

"(E)(i) In the case of an eligible hospital that is a hospital or unit that is within a class of hospital described in clause (ii) with a 12-month cost reporting period beginning before the enactment of this subparagraph, in determining the amount of the increase under subparagraph (A), the Secretary shall substitute for the percentage of the target amount applicable under subparagraph (A)(ii)—

"(I) for a cost reporting period beginning on or after October 1, 2000, and before September 30, 2001, 1.5 percent; and

"(II) for a cost reporting period beginning on or after October 1, 2001, and before September 30, 2002, 2 percent.

"(ii) For purposes of clause (i), each of the following shall be treated as a separate class of hospital:

"(I) Hospitals described in clause (i) of subsection (d)(1)(B) and psychiatric units described in the matter following clause (v) of such subsection.

"(II) Hospitals described in clause (iv) of such subsection."

SEC. 113. PER DISCHARGE PROSPECTIVE PAYMENT SYSTEM FOR LONG-TERM CARE HOSPITALS.

(a) DEVELOPMENT OF SYSTEM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a per discharge prospective payment system for payment for inpatient hospital services of long-term care hospitals described in section 1886(d)(1)(B)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)(iv)) under the medicare program. Such system shall include an adequate patient classification system that is based on diagnosis-related groups (DRGs) and that reflects the differences in patient resource use and costs, and shall maintain budget neutrality.

(2) COLLECTION OF DATA AND EVALUATION.—In developing the system described in paragraph (1), the Secretary may require such long-term care hospitals to submit such information to the Secretary as the Secretary may require to develop the system.

(b) REPORT.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Notwithstanding section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by long-term care hospitals under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the system described in subsection (a).

SEC. 114. PER DIEM PROSPECTIVE PAYMENT SYSTEM FOR PSYCHIATRIC HOSPITALS.

(a) DEVELOPMENT OF SYSTEM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop a per diem prospective payment system for payment for inpatient hospital services of psychiatric hospitals and units (as defined in paragraph (3)) under the medicare program. Such sys-

tem shall include an adequate patient classification system that reflects the differences in patient resource use and costs among such hospitals and shall maintain budget neutrality.

(2) COLLECTION OF DATA AND EVALUATION.—In developing the system described in paragraph (1), the Secretary may require such psychiatric hospitals and units to submit such information to the Secretary as the Secretary may require to develop the system.

(3) DEFINITION.—In this section, the term "psychiatric hospitals and units" means a psychiatric hospital described in clause (i) of section 1886(d)(1)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)) and psychiatric units described in the matter following clause (v) of such section.

(b) REPORT.—Not later than October 1, 2001, the Secretary shall submit to the appropriate committees of Congress a report that includes a description of the system developed under subsection (a)(1).

(c) IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—Notwithstanding section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)), the Secretary shall provide, for cost reporting periods beginning on or after October 1, 2002, for payments for inpatient hospital services furnished by psychiatric hospitals and units under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in accordance with the prospective payment system established by the Secretary under this section in a budget neutral manner.

SEC. 115. REFINEMENT OF PROSPECTIVE PAYMENT SYSTEM FOR INPATIENT REHABILITATION SERVICES.

(a) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT RATE WITHOUT PHASE-IN.—

(1) IN GENERAL.—Paragraph (1) of section 1886(j) (42 U.S.C. 1395ww(j)), as added by section 4421(a) of BBA, is amended—

(A) in subparagraph (E), by inserting "subject to subparagraph (E)," after "subparagraph (A)," ; and

(B) by adding at the end the following new subparagraph:

"(E) ELECTION TO APPLY FULL PROSPECTIVE PAYMENT SYSTEM.—A rehabilitation facility may elect for either or both cost reporting periods described in subparagraph (C) to have the TEFRA percentage and prospective payment percentage set at 0 percent and 100 percent, respectively, for the facility."

(2) BUDGET NEUTRALITY IN APPLICATION.—Paragraph (3)(B) of such section is amended by inserting "and taking into account the election permitted under paragraph (1)(E)" after "in the Secretary's estimation".

(3) CASE MIX CREEP ADJUSTMENT.—Paragraph (2)(C) of such section is amended by adding at the end the following new clauses:

"(iii) EXAMINATION OF CHANGES IN CASE MIX.—The Secretary, upon obtaining substantially complete data from fiscal year 2001, shall analyze the extent to which the changes in case mix during that fiscal year are attributable to changes in coding and classification and do not reflect real changes in case mix.

"(iv) INITIAL ADJUSTMENT OF RATES IN FISCAL YEAR 2004.—Based on the analysis performed under clause (iii) in determining the amount of case mix change due merely to changes in coding or classification, the Secretary shall adjust the prospective payment amounts for fiscal year 2004 by 150 percent of the Secretary's estimate of the percentage adjustment to the prospective payment rate under this paragraph that would have achieved budget neutrality in fiscal year 2001 if it had applied in setting the rates for that fiscal year.

"(v) FINAL ADJUSTMENT OF RATES IN FISCAL YEAR 2005.—In the case that the adjustment under clause (iv) resulted in—

“(I) a percentage decrease in rates, the Secretary shall increase the prospective payment amounts for fiscal year 2005 by a percentage equal to 1/3 of such percentage decrease; or

“(II) a percentage increase in rates, the Secretary shall decrease the prospective payment amounts for fiscal year 2005 by a percentage equal to 1/3 of such percentage increase.”.

(b) USE OF DISCHARGE AS PAYMENT UNIT.—(1) IN GENERAL.—Paragraph (1)(D) of such section is amended by striking “, day of inpatient hospital services, or other unit of payment defined by the Secretary”.

(2) CONFORMING AMENDMENT TO CLASSIFICATION.—Paragraph (2)(A) of such section is amended by amending clause (i) of to read as follows:

“(i) classes of patient discharges of rehabilitation facilities by functional-related groups (each in this subsection referred to as a ‘case mix group’), based on impairment, age, comorbidities, and functional capability of the patient and such other factors as the Secretary deems appropriate to improve the explanatory power of functional independence measure-function related groups; and”.

(3) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Paragraph (1) of such section, as amended by subsection (a)(1), is further amended by adding at the end the following new subparagraph:

“(F) CONSTRUCTION RELATING TO TRANSFER AUTHORITY.—Nothing in this subsection shall be construed as preventing the Secretary from providing for an adjustment to payments to take into account the early transfer of a patient from a rehabilitation facility to another site of care.”.

(c) STUDY ON IMPACT OF IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the impact on utilization and beneficiary access to services of the implementation of the medicare prospective payment system for inpatient hospital services or rehabilitation facilities under section 1886(j) of the Social Security Act (as added by section 4421(a) of BBA).

(2) REPORT.—Not later than 3 years after the date such system is first implemented, the Secretary shall submit to Congress a report on such study.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) are effective as if included in the enactment of section 4421(a) of BBA.

Subtitle C—Adjustments to PPS Payments for Skilled Nursing Facilities

SEC. 121. TEMPORARY INCREASE IN PAYMENT FOR CERTAIN HIGH COST PATIENTS.

(a) ADJUSTMENT FOR MEDICALLY COMPLEX PATIENTS UNTIL ESTABLISHMENT OF REFINED CASE-MIX ADJUSTMENT.—For purposes of computing payments for covered skilled nursing facility services under paragraph (1) of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, for such services furnished on or after April 1, 2000, and before October 1, 2000, the Secretary of Health and Human Services shall increase by 10 percent the adjusted Federal per diem rate otherwise determined under paragraph (4) of such section (but for this section) for covered skilled nursing facility services for RUG-III groups described in subsection (b) furnished to an individual during the period in which such individual is classified in such a RUG-III category.

(b) GROUPS DESCRIBED.—The RUG-III groups for which the adjustment described in subsection (a) applies are SE3, SE2, SE1, SSC, SSB, SSA, CC2, CC1, CB2, CB1, CA2, and CA1, as specified in Tables 3 and 4 of the

final rule published in the Federal Register by the Health Care Financing Administration on July 30, 1999 (64 Fed. Reg. 41684).

SEC. 122. MARKET BASKET INCREASE.

Section 1888(e)(4)(E)(ii) (42 U.S.C. 1395yy(e)(4)(E)(ii)) is amended—

(1) by redesignating subclause (III) as subclause (IV); and

(2) by striking subclause (II) and inserting after subclause (I) the following:

“(II) for fiscal year 2001, the rate computed for fiscal year 2000 (determined without regard to section 121 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999) increased by the skilled nursing facility market basket percentage change for the fiscal year involved plus 0.8 percentage point;

“(III) for fiscal year 2002, the rate computed for the previous fiscal year increased by the skilled nursing facility market basket percentage change for the fiscal year involved minus 1 percentage point; and”.

SEC. 123. AUTHORIZING FACILITIES TO ELECT IMMEDIATE TRANSITION TO FEDERAL RATE.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “paragraph (7)” and inserting “paragraphs (7) and (11)”; and

(2) by adding at the end the following new paragraph:

“(11) PERMITTING FACILITIES TO WAIVE 3-YEAR TRANSITION.—Notwithstanding paragraph (1)(A), a facility may elect to have the amount of the payment for all costs of covered skilled nursing facility services for each day of such services furnished in cost reporting periods beginning after the date of such election determined pursuant to subparagraph (B) of paragraph (1).”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to elections made more than 60 days after the date of enactment of this Act.

SEC. 124. PART A PASS-THROUGH PAYMENT FOR CERTAIN AMBULANCE SERVICES, PROSTHESES, AND CHEMOTHERAPY DRUGS.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as added by section 4432(a) of BBA, is amended—

(1) in paragraph (2)(A)(i)(II), by striking “services described in clause (ii)” and inserting “items and services described in clauses (ii) and (iii)”; and

(2) by adding at the end of paragraph (2)(A) the following new clause:

“(iii) EXCLUSION OF CERTAIN ADDITIONAL ITEMS.—Items described in this clause are the following:

“(I) Ambulance services furnished to an individual in conjunction with renal dialysis services described in section 1861(s)(2)(F).

“(II) Chemotherapy items (identified as of July 1, 1999, by HCPCS codes J9000–J9020; J9040–J9151; J9170–J9185; J9200–J9201; J9206–J9208; J9211; J9230–J9245; and J9265–J9600 (and as subsequently modified by the Secretary)).

“(III) Chemotherapy administration services (identified as of July 1, 1999, by HCPCS codes 36260–36262; 36489; 36530–36535; 36640; 36823; and 96405–96542 (and as subsequently modified by the Secretary)).

“(IV) Radioisotope services (identified as of July 1, 1999, by HCPCS codes 79030–79440 (and as subsequently modified by the Secretary)).

“(V) Customized prosthetic devices (commonly known as artificial limbs or components or artificial limbs) under the following HCPCS codes (as of July 1, 1999 (and as subsequently modified by the Secretary)) if delivered to an inpatient for use during the stay in the skilled nursing facility and intended

to be used by the individual after discharge from the facility: L5050–L5340; L5500–L5610; L5613–L5986; L5988; L6050–L6370; L6400–L6880; L6920–L7274; and L7362–7366.”; and

(3) by adding at the end of paragraph (9) the following: “In the case of an item or service described in clause (iii) of paragraph (2)(A) that would be payable under part A but for the exclusion of such item or service under such clause, payment shall be made for the item or service, in an amount otherwise determined under part B of this title for such item or service, from the Federal Hospital Insurance Trust Fund under section 1817 (rather than from the Federal Supplementary Medical Insurance Trust Fund under section 1841).”.

(b) CONFORMING FOR BUDGET NEUTRALITY BEGINNING WITH FISCAL YEAR 2001.—Section 1888(e)(4)(G) (42 U.S.C. 1395yy(e)(4)(G)) is amended by adding at the end the following new clause:

“(iii) ADJUSTMENT FOR EXCLUSION OF CERTAIN ADDITIONAL ITEMS.—The Secretary shall provide for an appropriate proportional reduction in payments so that beginning with fiscal year 2001, the aggregate amount of such reductions is equal to the aggregate increase in payments attributable to the exclusion effected under clause (iii) of paragraph (2)(A).”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made for items furnished on or after April 1, 2000.

SEC. 125. PROVISION FOR PART B ADD-ONS FOR FACILITIES PARTICIPATING IN THE NHC MQ DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 1888(e)(3) (42 U.S.C. 1395yy(e)(3)), as added by section 4432(a) of BBA, is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting “or, in the case of a facility participating in the Nursing Home Case-Mix and Quality Demonstration (RUGS-III), the RUGS-III rate received by the facility during the cost reporting period beginning in 1997” after “to non-settled cost reports”; and

(B) in clause (ii), by striking “furnished during such period” and inserting “furnished during the applicable cost reporting period described in clause (i)”; and

(2) by amending subparagraph (B) to read as follows:

“(B) UPDATE TO FIRST COST REPORTING PERIOD.—The Secretary shall update the amount determined under subparagraph (A), for each cost reporting period after the applicable cost reporting period described in subparagraph (A)(i) and up to the first cost reporting period by a factor equal to the skilled nursing facility market basket percentage increase minus 1 percentage point (except that for the cost reporting period beginning in fiscal year 2001, the factor shall be equal to such market basket percentage plus 0.8 percentage point).”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of section 4432(a) of BBA.

SEC. 126. SPECIAL CONSIDERATION FOR FACILITIES SERVING SPECIALIZED PATIENT POPULATIONS.

(a) IN GENERAL.—Section 1888(e) (42 U.S.C. 1395yy(e)), as amended by section 123(a)(1), is further amended—

(1) in paragraph (1), by striking “subject to paragraphs (7) and (11)” and inserting “subject to paragraphs (7), (11), and (12)”; and

(2) by adding at the end the following new paragraph:

“(12) PAYMENT RULE FOR CERTAIN FACILITIES.—

“(A) IN GENERAL.—In the case of a qualified acute skilled nursing facility described in subparagraph (B), the per diem amount of

payment shall be determined by applying the non-Federal percentage and Federal percentage specified in paragraph (2)(C)(ii).

“(B) FACILITY DESCRIBED.—For purposes of subparagraph (A), a qualified acute skilled nursing facility is a facility that—

“(i) was certified by the Secretary as a skilled nursing facility eligible to furnish services under this title before July 1, 1992;

“(ii) is a hospital-based facility; and

“(iii) for the cost reporting period beginning in fiscal year 1998, the facility had more than 60 percent of total patient days comprised of patients who are described in subparagraph (C).

“(C) DESCRIPTION OF PATIENTS.—For purposes of subparagraph (B), a patient described in this subparagraph is an individual who—

“(i) is entitled to benefits under part A; and

“(ii) is immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply for the period beginning on the date on which after the date of the enactment of this Act the first cost reporting period of the facility begins and ending on September 30, 2001, and applies to skilled nursing facilities furnishing covered skilled nursing facility services on the date of the enactment of this Act for which payment is made under title XVIII of the Social Security Act.

(c) REPORT TO CONGRESS.—By not later than one year after the date of the enactment of this Act, the Secretary of Health and Human Services shall assess the resource use of patients of skilled nursing facilities furnishing services under the medicare program who are immuno-compromised secondary to an infectious disease, with specific diagnoses as specified by the Secretary (under paragraph (12)(C), as added by subsection (a), of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e))) to determine whether any permanent adjustments are needed to the RUGs to take into account the resource uses and costs of these patients.

SEC. 127. MEDPAC STUDY ON SPECIAL PAYMENT FOR FACILITIES LOCATED IN HAWAII AND ALASKA.

(a) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on skilled nursing facilities furnishing covered skilled nursing facility services (as defined in section 1888(e)(2)(A) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A))) to determine the need for an additional payment amount under section 1888(e)(4)(G) of such Act (42 U.S.C. 1395yy(e)(4)(G)) to take into account the unique circumstances of skilled nursing facilities located in Alaska and Hawaii.

(b) REPORT.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit a report to Congress on the study conducted under subsection (a).

Subtitle D—Other

SEC. 131. PART A BBA TECHNICAL CORRECTIONS.

(a) SECTION 4201.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i-4(c)(2)(B)(i)), as amended by section 4201(a) of BBA, is amended by striking “and is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)) that” and inserting “that is located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)), and that”.

(b) SECTION 4204.—(1) Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(A) in clause (i), by striking “or beginning on or after October 1, 1997, and before Octo-

ber 1, 2001,” and inserting “or discharges on or after October 1, 1997, and before October 1, 2001.”; and

(B) in clause (ii)(II), by striking “or beginning on or after October 1, 1997, and before October 1, 2001,” and inserting “or discharges on or after October 1, 1997, and before October 1, 2001.”.

(2) Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended in the matter preceding clause (i) by striking “and for cost reporting periods beginning on or after October 1, 1997, and before October 1, 2001,” and inserting “and for discharges beginning on or after October 1, 1997, and before October 1, 2001.”.

(c) SECTION 4319.—Section 1847(b)(2) (42 U.S.C. 1395w-3(b)(2)), as added by section 4319 of BBA, is amended by inserting “and” after “specified by the Secretary”.

(d) SECTION 4401.—Section 4401(b)(1)(B) of BBA (42 U.S.C. 1395ww note) is amended by striking “section 1886(b)(3)(B)(i)(XIII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIII))” and inserting “section 1886(b)(3)(B)(i)(XIV) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XIV))”.

(e) SECTION 4402.—The last sentence of section 1886(g)(1)(A) (42 U.S.C. 1395ww(g)(1)(A)), as added by section 4402 of BBA, is amended by striking “September 30, 2002,” and inserting “October 1, 2002.”.

(f) SECTION 4419.—The first sentence of section 1886(b)(4)(A)(i) (42 U.S.C. 1395ww(b)(4)(A)(i)), as amended by section 4419(a)(1) of BBA, by striking “or unit”.

(g) SECTION 4442.—Section 4442(b) of BBA (42 U.S.C. 1395f note) is amended by striking “applies to cost reporting periods beginning” and inserting “applies to items and services furnished”.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of BBA.

TITLE II—PROVISIONS RELATING TO PART B

Subtitle A—Adjustments to Physician Payment Updates

SEC. 201. MODIFICATION OF UPDATE ADJUSTMENT FACTOR PROVISIONS TO REDUCE UPDATE OSCILLATIONS AND REQUIRE ESTIMATE REVISIONS.

(a) UPDATE ADJUSTMENT FACTOR.—

(1) IN GENERAL.—Section 1848(d) (42 U.S.C. 1395w-4(d)) is amended—

(A) in paragraph (3)—

(i) in the heading, by inserting “FOR 1999 AND 2000” after “UPDATE”; and

(ii) in subparagraph (A), by striking “a year beginning with 1999” and inserting “1999 and 2000”; and

(iii) in subparagraph (C), by inserting “and paragraph (4)” after “For purposes of this paragraph”; and

(B) by adding at the end the following new paragraph:

“(4) UPDATE FOR YEARS BEGINNING WITH 2001.—

“(A) IN GENERAL.—Unless otherwise provided by law, subject to the budget-neutrality factor determined by the Secretary under subsection (c)(2)(B)(ii) and subject to adjustment under subparagraph (F), the update to the single conversion factor established in paragraph (1)(C) for a year beginning with 2001 is equal to the product of—

“(i) 1 plus the Secretary’s estimate of the percentage increase in the MEI (as defined in section 1842(i)(3)) for the year (divided by 100), and

“(ii) 1 plus the Secretary’s estimate of the update adjustment factor under subparagraph (B) for the year.

“(B) UPDATE ADJUSTMENT FACTOR.—For purposes of subparagraph (A)(ii), subject to subparagraph (D), the ‘update adjustment

factor’ for a year is equal (as estimated by the Secretary) to the sum of the following:

“(i) PRIOR YEAR ADJUSTMENT COMPONENT.—

An amount determined by—

“(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians’ services for the prior year (as determined under subparagraph (C)) and the amount of the actual expenditures for such services for that year;

“(II) dividing that difference by the amount of the actual expenditures for such services for that year; and

“(III) multiplying that quotient by 0.75.

“(ii) CUMULATIVE ADJUSTMENT COMPONENT.—An amount determined by—

“(I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians’ services (as determined under subparagraph (C)) from April 1, 1996, through the end of the prior year and the amount of the actual expenditures for such services during that period;

“(II) dividing that difference by actual expenditures for such services for the prior year as increased by the sustainable growth rate under subsection (f) for the year for which the update adjustment factor is to be determined; and

“(III) multiplying that quotient by 0.33.

“(C) DETERMINATION OF ALLOWED EXPENDITURES.—For purposes of this paragraph:

“(i) PERIOD UP TO APRIL 1, 1999.—The allowed expenditures for physicians’ services for a period before April 1, 1999, shall be the amount of the allowed expenditures for such period as determined under paragraph (3)(C).

“(ii) TRANSITION TO CALENDAR YEAR ALLOWED EXPENDITURES.—Subject to subparagraph (E), the allowed expenditures for—

“(I) the 9-month period beginning April 1, 1999, shall be the Secretary’s estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such period; and

“(II) the year of 1999, shall be the Secretary’s estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such year.

“(iii) YEARS BEGINNING WITH 2000.—The allowed expenditures for a year (beginning with 2000) is equal to the allowed expenditures for physicians’ services for the previous year, increased by the sustainable growth rate under subsection (f) for the year involved.

“(D) RESTRICTION ON UPDATE ADJUSTMENT FACTOR.—The update adjustment factor determined under subparagraph (B) for a year may not be less than -0.07 or greater than 0.03.

“(E) RECALCULATION OF ALLOWED EXPENDITURES FOR UPDATES BEGINNING WITH 2001.—For purposes of determining the update adjustment factor for a year beginning with 2001, the Secretary shall recompute the allowed expenditures for previous periods beginning on or after April 1, 1999, consistent with subsection (f)(3).

“(F) TRANSITIONAL ADJUSTMENT DESIGNED TO PROVIDE FOR BUDGET NEUTRALITY.—Under this subparagraph the Secretary shall provide for an adjustment to the update under subparagraph (A)—

“(i) for each of 2001, 2002, 2003, and 2004, of -0.2 percent; and

“(ii) for 2005 of +0.8 percent.”.

(2) PUBLICATION CHANGE.—

(A) IN GENERAL.—Section 1848(d)(1)(E) (42 U.S.C. 1395w-4(d)(1)(E)) is amended to read as follows:

“(E) PUBLICATION AND DISSEMINATION OF INFORMATION.—The Secretary shall—

“(i) cause to have published in the Federal Register not later than November 1 of each year (beginning with 2000) the conversion

factor which will apply to physicians' services for the succeeding year, the update determined under paragraph (4) for such succeeding year, and the allowed expenditures under such paragraph for such succeeding year; and

"(ii) make available to the Medicare Payment Advisory Commission and the public by March 1 of each year (beginning with 2000) an estimate of the sustainable growth rate and of the conversion factor which will apply to physicians' services for the succeeding year and data used in making such estimate."

(B) MEDPAC REVIEW OF CONVERSION FACTOR ESTIMATES.—Section 1805(b)(1)(D) (42 U.S.C. 1395b-6(b)(1)(D)) is amended by inserting "and including a review of the estimate of the conversion factor submitted under section 1848(d)(1)(E)(ii)" before the period at the end.

(C) 1-TIME PUBLICATION OF INFORMATION ON TRANSITION.—The Secretary of Health and Human Services shall cause to have published in the Federal Register, not later than 90 days after the date of the enactment of this section, the Secretary's determination, based upon the best available data, of—

(i) the allowed expenditures under subclauses (I) and (II) of section 1848(d)(4)(C)(ii) of the Social Security Act, as added by subsection (a)(1)(B), for the 9-month period beginning on April 1, 1999, and for 1999;

(ii) the estimated actual expenditures described in section 1848(d) of such Act for 1999; and

(iii) the sustainable growth rate under section 1848(f) of such Act (42 U.S.C. 1395w-4(f)) for 2000.

(3) CONFORMING AMENDMENTS.—

(A) Section 1848 (42 U.S.C. 1395w-4) is amended—

(i) in subsection (d)(1)(A), by inserting "(for years before 2001) and, for years beginning with 2001, multiplied by the update (established under paragraph (4)) for the year involved" after "for the year involved"; and

(ii) in subsection (f)(2)(D), by inserting "or (d)(4)(B), as the case may be" after "(d)(3)(B)".

(B) Section 1833(l)(4)(A)(i)(VII) (42 U.S.C. 1395l(1)(4)(A)(i)(VII)) is amended by striking "1848(d)(3)" and inserting "1848(d)".

(b) SUSTAINABLE GROWTH RATES.—Section 1848(f) (42 U.S.C. 1395w-4(f)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) PUBLICATION.—The Secretary shall cause to have published in the Federal Register not later than—

"(A) November 1, 2000, the sustainable growth rate for 2000 and 2001; and

"(B) November 1 of each succeeding year the sustainable growth rate for such succeeding year and each of the preceding 2 years.";

(2) in paragraph (2)—

(A) in the matter before subparagraph (A), by striking "fiscal year 1998" and inserting "fiscal year 1998 and ending with fiscal year 2000) and a year beginning with 2000"; and

(B) in subparagraphs (A) through (D), by striking "fiscal year" and inserting "applicable period" each place it appears;

(3) in paragraph (3), by adding at the end the following new subparagraph:

"(C) APPLICABLE PERIOD.—The term 'applicable period' means—

"(i) a fiscal year, in the case of fiscal year 1998, fiscal year 1999, and fiscal year 2000; or

"(ii) a calendar year with respect to a year beginning with 2000; as the case may be.";

(4) by redesignating paragraph (3) as paragraph (4); and

(5) by inserting after paragraph (2) the following new paragraph:

"(3) DATA TO BE USED.—For purposes of determining the update adjustment factor under subsection (d)(4)(B) for a year beginning with 2001, the sustainable growth rates taken into consideration in the determination under paragraph (2) shall be determined as follows:

"(A) FOR 2001.—For purposes of such calculations for 2001, the sustainable growth rates for fiscal year 2000 and the years 2000 and 2001 shall be determined on the basis of the best data available to the Secretary as of September 1, 2000.

"(B) FOR 2002.—For purposes of such calculations for 2002, the sustainable growth rates for fiscal year 2000 and for years 2000, 2001, and 2002 shall be determined on the basis of the best data available to the Secretary as of September 1, 2001.

"(C) FOR 2003 AND SUCCEEDING YEARS.—For purposes of such calculations for a year after 2002—

"(i) the sustainable growth rates for that year and the preceding 2 years shall be determined on the basis of the best data available to the Secretary as of September 1 of the year preceding the year for which the calculation is made; and

"(ii) the sustainable growth rate for any year before a year described in clause (i) shall be the rate as most recently determined for that year under this subsection.

Nothing in this paragraph shall be construed as affecting the sustainable growth rates established for fiscal year 1998 or fiscal year 1999."

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective in determining the conversion factor under section 1848(d) of the Social Security Act (42 U.S.C. 1395w-4(d)) for years beginning with 2001 and shall not apply to or affect any update (or any update adjustment factor) for any year before 2001.

SEC. 202. USE OF DATA COLLECTED BY ORGANIZATIONS AND ENTITIES IN DETERMINING PRACTICE EXPENSE RELATIVE VALUES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall establish by regulation (after notice and opportunity for public comment) a process (including data collection standards) under which the Secretary will accept for use and will use, to the maximum extent practicable consistent with sound data practices, data collected or developed by entities and organizations (other than the Department of Health and Human Services) to supplement the data normally collected by that Department in determining the practice expense component under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w-4(c)(2)(C)(ii)) for purposes of determining relative values for payment for physicians' services under the fee schedule under section 1848 of such Act (42 U.S.C. 1395w-4). The Secretary shall first promulgate such regulation on an interim final basis in a manner that permits the submission and use of data in the computation of practice expense relative value units for payment rates for 2001.

(b) PUBLICATION OF INFORMATION.—The Secretary shall include, in the publication of the estimated and final updates under section 1848(c) of such Act (42 U.S.C. 1395w-4(c)) for payments for 2001 and for 2002, a description of the process established under subsection (a) for the use of external data in making adjustments in relative value units and the extent to which the Secretary has used such external data in making such adjustments for each such year, particularly in cases in which the data otherwise used are inadequate because they are not based upon a large enough sample size to be statistically reliable.

SEC. 203. GAO STUDY ON RESOURCES REQUIRED TO PROVIDE SAFE AND EFFECTIVE OUTPATIENT CANCER THERAPY.

(a) STUDY.—The Comptroller General of the United States shall conduct a nationwide study to determine the physician and non-physician clinical resources necessary to provide safe outpatient cancer therapy services and the appropriate payment rates for such services under the Medicare program. In making such determination, the Comptroller General shall—

(1) determine the adequacy of practice expense relative value units associated with the utilization of those clinical resources;

(2) determine the adequacy of work units in the practice expense formula; and

(3) assess various standards to assure the provision of safe outpatient cancer therapy services.

(b) REPORT TO CONGRESS.—The Comptroller General shall submit to Congress a report on the study conducted under subsection (a). The report shall include recommendations regarding practice expense adjustments to the payment methodology under part B of the Medicare program, including the development and inclusion of adequate work units to assure the adequacy of payment amounts for safe outpatient cancer therapy services. The study shall also include an estimate of the cost of implementing such recommendations.

Subtitle B—Hospital Outpatient Services

SEC. 211. OUTLIER ADJUSTMENT AND TRANSITIONAL PASS-THROUGH FOR CERTAIN MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.

(a) OUTLIER ADJUSTMENT.—Section 1833(t) (42 U.S.C. 1395l(t)), as added by section 4523(a) of BBA, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (7) through (11), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) OUTLIER ADJUSTMENT.—

"(A) IN GENERAL.—The Secretary shall provide for an additional payment for each covered OPD service (or group of services) for which a hospital's charges, adjusted to cost, exceed—

"(i) a fixed multiple of the sum of—

"(I) the applicable Medicare OPD fee schedule amount determined under paragraph (3)(D), as adjusted under paragraph (4)(A) (other than for adjustments under this paragraph or paragraph (6)); and

"(II) any transitional pass-through payment under paragraph (6); and

"(ii) at the option of the Secretary, such fixed dollar amount as the Secretary may establish.

"(B) AMOUNT OF ADJUSTMENT.—The amount of the additional payment under subparagraph (A) shall be determined by the Secretary and shall approximate the marginal cost of care beyond the applicable cutoff point under such subparagraph.

"(C) LIMIT ON AGGREGATE OUTLIER ADJUSTMENTS.—

"(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means a percentage specified by the Secretary up to (but not to exceed)—

“(I) for a year (or portion of a year) before 2004, 2.5 percent; and

“(II) for 2004 and thereafter, 3.0 percent.”.

(b) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—Such section is further amended by inserting after paragraph (5) the following new paragraph:

“(6) TRANSITIONAL PASS-THROUGH FOR ADDITIONAL COSTS OF INNOVATIVE MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—

“(A) IN GENERAL.—The Secretary shall provide for an additional payment under this paragraph for any of the following that are provided as part of a covered OPD service (or group of services):

“(i) CURRENT ORPHAN DRUGS.—A drug or biological that is used for a rare disease or condition with respect to which the drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act if payment for the drug or biological as an outpatient hospital service under this part was being made on the first date that the system under this subsection is implemented.

“(ii) CURRENT CANCER THERAPY DRUGS AND BIOLOGICALS.—A drug or biological that is used in cancer therapy, including (but not limited to) a chemotherapeutic agent, antiemetic, hematopoietic growth factor, colony stimulating factor, a biological response modifier, and a bisphosphonate, or brachytherapy, if payment for such drug, biological, or device as an outpatient hospital service under this part was being made on such first date.

“(iii) NEW MEDICAL DEVICES, DRUGS, AND BIOLOGICALS.—A medical device, drug, or biological not described in clause (i) or (ii) if—

“(I) payment for the device, drug, or biological as an outpatient hospital service under this part was not being made as of December 31, 1996; and

“(II) the cost of the device, drug, or biological is not insignificant in relation to the OPD fee schedule amount (as calculated under paragraph (3)(D)) payable for the service (or group of services) involved.

“(B) LIMITED PERIOD OF PAYMENT.—The payment under this paragraph with respect to a medical device, drug, or biological shall only apply during a period of at least 2 years, but not more than 3 years, that begins—

“(i) on the first date this subsection is implemented in the case of a drug or biological described in clause (i) or (ii) of subparagraph (A) and in the case of a device, drug, or biological described in subparagraph (A)(iii) for which payment under this part is made as an outpatient hospital service before such first date; or

“(ii) in the case of a device, drug, or biological described in subparagraph (A)(iii) not described in clause (i), on the first date on which payment is made under this part for the device, drug, or biological as an outpatient hospital service.

“(C) AMOUNT OF ADDITIONAL PAYMENT.—Subject to subparagraph (D)(iii), the amount of the payment under this paragraph with respect to a device, drug, or biological provided as part of a covered OPD service is—

“(i) in the case of a drug or biological, the amount by which the amount determined under section 1842(o) for the drug or biological exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the drug or biological; or

“(ii) in the case of a medical device, the amount by which the hospital's charges for the device, adjusted to cost, exceeds the portion of the otherwise applicable medicare OPD fee schedule that the Secretary determines is associated with the device.

“(D) LIMIT ON AGGREGATE ANNUAL ADJUSTMENT.—

“(i) IN GENERAL.—The total of the additional payments made under this paragraph for covered OPD services furnished in a year (as projected or estimated by the Secretary before the beginning of the year) may not exceed the applicable percentage (specified in clause (ii)) of the total program payments projected or estimated to be made under this subsection for all covered OPD services furnished in that year. If this paragraph is first applied to less than a full year, the previous sentence shall apply only to the portion of such year.

“(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term ‘applicable percentage’ means—

“(I) for a year (or portion of a year) before 2004, 2.5 percent; and

“(II) for 2004 and thereafter, a percentage specified by the Secretary up to (but not to exceed) 2.0 percent.

“(iii) UNIFORM PROSPECTIVE REDUCTION IF AGGREGATE LIMIT PROJECTED TO BE EXCEEDED.—If the Secretary projects or estimates before the beginning of a year that the amount of the additional payments under this paragraph for the year (or portion thereof) as determined under clause (i) without regard to this clause) will exceed the limit established under such clause, the Secretary shall reduce pro rata the amount of each of the additional payments under this paragraph for that year (or portion thereof) in order to ensure that the aggregate additional payments under this paragraph (as so projected or estimated) do not exceed such limit.”.

(c) APPLICATION OF NEW ADJUSTMENTS ON A BUDGET NEUTRAL BASIS.—Section 1833(t)(2)(E) (42 U.S.C. 1395l(t)(2)(E)) is amended by striking “other adjustments, in a budget neutral manner, as determined to be necessary to ensure equitable payments, such as outlier adjustments or” and inserting “, in a budget neutral manner, outlier adjustments under paragraph (5) and transitional pass-through payments under paragraph (6) and other adjustments as determined to be necessary to ensure equitable payments, such as”.

(d) LIMITATION ON JUDICIAL REVIEW FOR NEW ADJUSTMENTS.—Section 1833(t)(11), as redesignated by subsection (a)(1), is amended—

(1) by striking “and” at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting “; and”;

(3) by adding at the end the following:

“(E) the determination of the fixed multiple, or a fixed dollar cutoff amount, the marginal cost of care, or applicable percentage under paragraph (5) or the determination of insignificance of cost, the duration of the additional payments (consistent with paragraph (6)(B)), the portion of the Medicare OPD fee schedule amount associated with particular devices, drugs, or biologicals, and the application of any pro rata reduction under paragraph (6).”.

(e) INCLUSION OF MEDICAL DEVICES UNDER SYSTEM.—Section 1833(t) (42 U.S.C. 1395l(t)) is amended—

(1) in paragraph (1)(B)(ii), by striking “clause (iii)” and inserting “clause (iv)” and by striking “but”;

(2) by redesignating clause (iii) of paragraph (1)(B) as clause (iv) and inserting after clause (ii) of such paragraph the following new clause:

“(iii) includes medical devices (such as implantable medical devices); but”;

(3) in paragraph (2)(B), by inserting after “resources” the following: “and so that a device is classified to the group that includes the service to which the device relates”.

(f) AUTHORIZING PAYMENT WEIGHTS BASED ON MEAN HOSPITAL COSTS.—Section

1833(t)(2)(C) (42 U.S.C. 1395l(t)(2)(C)) is amended by inserting “(or, at the election of the Secretary, mean)” after “median”.

(g) LIMITING VARIATION OF COSTS OF SERVICES CLASSIFIED WITH A GROUP.—Section 1833(t)(2) (42 U.S.C. 1395l(t)(2)) is amended by adding at the end the following new flush sentence:

“For purposes of subparagraph (B), items and services within a group shall not be treated as ‘comparable with respect to the use of resources’ if the highest median cost (or mean cost, if elected by the Secretary under subparagraph (C)) for an item or service within the group is more than 2 times greater than the lowest median cost (or mean cost, if so elected) for an item or service within the group; except that the Secretary may make exceptions in unusual cases, such as low volume items and services, but may not make such an exception in the case of a drug or biological has been designated as an orphan drug under section 526 of the Federal Food, Drug and Cosmetic Act.”.

(h) ANNUAL REVIEW OF OPD PPS COMPONENTS.—

(1) IN GENERAL.—Section 1833(t)(8)(A) (42 U.S.C. 1395l(t)(8)(A)), as redesignated by subsection (a), is amended—

(A) by striking “may periodically review” and inserting “shall review not less often than annually”; and

(B) by adding at the end the following: “The Secretary shall consult with an expert outside advisory panel composed of an appropriate selection of representatives of providers to review (and advise the Secretary concerning) the clinical integrity of the groups and weights. Such panel may use data collected or developed by entities and organizations (other than the Department of Health and Human Services) in conducting such review.”.

(2) EFFECTIVE DATES.—The Secretary of Health and Human Services shall first conduct the annual review under the amendment made by paragraph (1)(A) in 2001 for application in 2002 and the amendment made by paragraph (1)(B) takes effect on the date of the enactment of this Act.

(i) NO IMPACT ON COPAYMENT.—Section 1833(t)(7) (42 U.S.C. 1395l(t)(7)), as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

“(D) COMPUTATION IGNORING OUTLIER AND PASS-THROUGH ADJUSTMENTS.—The copayment amount shall be computed under subparagraph (A) as if the adjustments under paragraphs (5) and (6) (and any adjustment made under paragraph (2)(E) in relation to such adjustments) had not occurred.”.

(j) TECHNICAL CORRECTION IN REFERENCE RELATING TO HOSPITAL-BASED AMBULANCE SERVICES.—Section 1833(t)(9) (42 U.S.C. 1395l(t)(9)), as redesignated by subsection (a), is amended by striking “the matter in subsection (a)(1) preceding subparagraph (A)” and inserting “section 1861(v)(1)(U)”.

(k) EFFECTIVE DATE.—Except as provided in this section, the amendments made by this section shall be effective as if included in the enactment of BBA.

(1) STUDY OF DELIVERY OF INTRAVENOUS IMMUNE GLOBULIN (IVIG) OUTSIDE HOSPITALS AND PHYSICIANS' OFFICES.—

(1) STUDY.—The Secretary of Health and Human Services shall conduct a study of the extent to which intravenous immune globulin (IVIG) could be delivered and reimbursed under the medicare program outside of a hospital or physician's office. In conducting the study, the Secretary shall—

(A) consider the sites of service that other payors, including Medicare+Choice plans, use for these drugs and biologicals;

(B) determine whether covering the delivery of these drugs and biologicals in a medicare patient's home raises any additional safety and health concerns for the patient;

(C) determine whether covering the delivery of these drugs and biologicals in a patient's home can reduce overall spending under the medicare program; and

(D) determine whether changing the site of setting for these services would affect beneficiary access to care.

(2) REPORT.—The Secretary shall submit a report on such study to the Committees on Way and Means and Commerce of the House of Representatives and the Committee on Finance of the Senate within 1 year after the date of the enactment of this Act. The Secretary shall include in the report recommendations regarding on the appropriate manner and settings under which the medicare program should pay for these drugs and biologicals delivered outside of a hospital or physician's office.

SEC. 212. ESTABLISHING A TRANSITIONAL CORRIDOR FOR APPLICATION OF OPD PPS.

(a) IN GENERAL.—Section 1833(t) (42 U.S.C. 1395l(t)), as amended by section 211(a), is further amended—

(1) in paragraph (4), in the matter before subparagraph (A), by inserting “, subject to paragraph (7),” after “is determined”; and

(2) by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively; and

(3) by inserting after paragraph (6), as inserted by section 211(b), the following new paragraph:

“(7) TRANSITIONAL ADJUSTMENT TO LIMIT DECLINE IN PAYMENT.—

“(A) BEFORE 2002.—Subject to subparagraph (D), for covered OPD services furnished before January 1, 2002, for which the PPS amount (as defined in subparagraph (E)) is—

“(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount (as defined in subparagraph (F)), the amount of payment under this subsection shall be increased by 80 percent of the amount of such difference;

“(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.71 and the pre-BBA amount, exceeds (II) the product of 0.70 and the PPS amount;

“(iii) at least 70 percent, but less than 80 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.63 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

“(iv) less than 70 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 21 percent of the pre-BBA amount.

“(B) 2002.—Subject to subparagraph (D), for covered OPD services furnished during 2002, for which the PPS amount is—

“(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by 70 percent of the amount of such difference;

“(ii) at least 80 percent, but less than 90 percent, of the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount by which (I) the product of 0.61 and the pre-BBA amount, exceeds (II) the product of 0.60 and the PPS amount;

“(iii) less than 80 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 13 percent of the pre-BBA amount.

“(C) 2003.—Subject to subparagraph (D), for covered OPD services furnished during 2003, for which the PPS amount is—

“(i) at least 90 percent, but less than 100 percent, of the pre-BBA amount, the amount

of payment under this subsection shall be increased by 60 percent of the amount of such difference; or

“(ii) less than 90 percent of the pre-BBA amount, the amount of payment under this subsection shall be increased by 6 percent of the pre-BBA amount.

“(D) SPECIAL RULE FOR SMALL RURAL HOSPITALS.—In the case of a hospital located in a rural area and that has not more than 100 beds, for covered OPD services furnished before January 1, 2004, for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by 100 percent of the amount of such difference.

“(E) PPS AMOUNT DEFINED.—In this paragraph, the term ‘PPS amount’ means, with respect to covered OPD services, the amount payable under this title for such services (determined without regard to this paragraph), including amounts payable as copayment under paragraph (5), coinsurance under section 1866(a)(2)(A)(ii), and the deductible under section 1833(b).

“(F) PRE-BBA AMOUNT DEFINED.—

“(i) IN GENERAL.—In this paragraph, the ‘pre-BBA amount’ means, with respect to covered OPD services furnished by a hospital in a year, an amount equal to the product of the reasonable cost of the hospital for such services for the portions of the hospital's cost reporting period (or periods) occurring in the year and the base OPD payment-to-cost ratio for the hospital (as defined in clause (ii)).

“(ii) BASE PAYMENT-TO-COST-RATIO DEFINED.—For purposes of this subparagraph, the ‘base payment-to-cost ratio’ for a hospital means the ratio of—

“(I) the hospital's reimbursement under this part for covered OPD services furnished during the cost reporting period ending in 1996, including any reimbursement for such services through cost-sharing described in subparagraph (D), to

“(II) the reasonable cost of such services for such period.

“(G) NO EFFECT ON COPAYMENTS.—Nothing in this paragraph shall be construed to affect the unadjusted copayment amount described in paragraph (3)(B) or the copayment amount under paragraph (8).

“(H) APPLICATION WITHOUT REGARD TO BUDGET NEUTRALITY.—The additional payments made under this paragraph—

“(i) shall not be considered an adjustment under paragraph (2)(E); and

“(ii) shall not be implemented in a budget neutral manner.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective as if included in the enactment of BBA.

(c) REPORT ON RURAL HOSPITALS.—Not later than July 1, 2002, the Secretary of Health and Human Services shall submit to Congress a report and recommendations on whether the prospective payment system for covered outpatient services furnished under title XVIII of the Social Security Act should apply to the following providers of services furnishing outpatient items and services for which payment is made under such title:

(1) Medicare-dependent, small rural hospitals (as defined in section 1886(d)(5)(G)(iv) of such Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

(2) Sole community hospitals (as defined in section 1886(d)(5)(D)(iii) of such Act (42 U.S.C. 1395ww(d)(5)(D)(iii))).

(3) Rural health clinics (as defined in section 1861(aa)(2) of such Act (42 U.S.C. 1395x(aa)(2))).

(4) Rural referral centers (as so classified under section 1886(d)(5)(C) of such Act (42 U.S.C. 1395ww(d)(5)(C))).

(5) Any other rural hospital with not more than 100 beds.

(6) Any other rural hospital that the Secretary determines appropriate.

SEC. 213. DELAY IN APPLICATION OF PROSPECTIVE PAYMENT SYSTEM TO CANCER CENTER HOSPITALS.

Section 1833(t)(11)(A) (42 U.S.C. 1395l(t)(11)(A)), as redesignated by section 212(a), is amended by striking “January 1, 2000” and inserting “the first day of the first year that begins 2 years after the date the prospective payment system under this section is first implemented”.

SEC. 214. LIMITATION ON OUTPATIENT HOSPITAL COPAYMENT FOR A PROCEDURE TO THE HOSPITAL DEDUCTIBLE AMOUNT.

(a) IN GENERAL.—Section 1833(t)(8) (42 U.S.C. 1395l(t)(8)), as redesignated by sections 212(a)(1) and 212(a)(2), is amended—

(1) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”; and

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(3) by inserting after subparagraph (B) the following new subparagraph:

“(C) LIMITING COPAYMENT AMOUNT TO INPATIENT HOSPITAL DEDUCTIBLE AMOUNT.—In no case shall the copayment amount for a procedure performed in a year exceed the amount of the inpatient hospital deductible established under section 1813(b) for that year.”.

(b) INCREASE IN PAYMENT TO REFLECT REDUCTION IN COPAYMENT.—Section 1833(t)(4)(C) (42 U.S.C. 1395l(t)(4)(C)) is amended by inserting “, plus the amount of any reduction in the copayment amount attributable to paragraph (5)(C)” before the period at the end.

(c) EFFECTIVE DATE.—The amendments made by this section apply as if included in the enactment of BBA and shall only apply to procedures performed for which payment is made on the basis of the prospective payment system under section 1833(t) of the Social Security Act.

Subtitle C—Other

SEC. 221. APPLICATION OF SEPARATE CAPS TO PHYSICAL AND SPEECH THERAPY SERVICES.

(a) IN GENERAL.—Section 1833(g) (42 U.S.C. 1395l(g)) is amended—

(1) in paragraph (1)—

(A) by inserting “(A)” after “(g)(1)”; and

(B) by adding at the end the following new subparagraph:

“(B) Subparagraph (A) shall be applied separately for speech-language pathology services described in the fourth sentence of section 1861(p) and for other outpatient physical therapy services.”; and

(2) by adding at the end the following new paragraph:

“(4) The limitations of this subsection apply to the services involved on a per beneficiary, per facility (or provider) basis.”.

(b) TECHNICAL AMENDMENT RELATING TO BEING UNDER THE CARE OF A PHYSICIAN.—Section 1861 (42 U.S.C. 1395x) is amended—

(1) in subsection (p)(1), by striking “or (3)” and inserting “, (3), or (4)”; and

(2) in subsection (r)(4), by inserting “for purposes of subsection (p)(1) and” after “but only”.

(c) EFFECTIVE DATE.—The amendments made by this section apply to services furnished on or after January 1, 2000.

SEC. 222. TRANSITIONAL OUTLIER PAYMENTS FOR THERAPY SERVICES FOR CERTAIN HIGH ACUITY PATIENTS.

Section 1833(g) (42 U.S.C. 1395l(g)), as amended by section 221, is further amended by adding at the end the following new paragraph:

“(5)(A) The Secretary shall establish a process under which a facility or provider

that is providing therapy services to which the limitation of this subsection applies to a beneficiary may apply to the Secretary for an increase in such limitation under this paragraph for services furnished in 2000 or in 2001.

“(B) Such process shall take into account the clinical diagnosis and shall provide that the aggregate amount of additional payments resulting from the application of this paragraph—

“(i) during fiscal year 2000 may not exceed \$40,000,000;

“(ii) during fiscal year 2001 may not exceed \$60,000,000; and

“(iii) during fiscal year 2002 may not exceed \$20,000,000.”.

SEC. 223. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.

(a) IN GENERAL.—Section 1881(b)(7) (42 U.S.C. 1395r(b)(7)) is amended by adding at the end the following new flush sentence:

“The Secretary shall increase the amount of each composite rate payment for dialysis services furnished on or after January 1, 2000, and on or before December 31, 2000, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 1999, and for such services furnished on or after January 1, 2001, by 1.2 percent above such composite rate payment amounts for such services furnished on December 31, 2000.”.

(b) CONFORMING AMENDMENT.—

(1) IN GENERAL.—Section 9335(a) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 1395rr note) is amended by striking paragraph (1).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 2000.

(c) STUDY ON PAYMENT LEVEL FOR HOME HEMODIALYSIS.—The Medicare Payment Advisory Commission shall conduct a study on the appropriateness of the differential in payment under the medicare program for hemodialysis services furnished in a facility and such services furnished in a home. Not later than 18 months after the date of the enactment of this Act, the Commission shall submit to Congress a report on such study and shall include recommendations regarding changes in medicare payment policy in response to the study.

SEC. 224. TEMPORARY UPDATE IN DURABLE MEDICAL EQUIPMENT AND OXYGEN RATES.

(a) DURABLE MEDICAL EQUIPMENT AND OXYGEN.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)), as amended by section 4551(a)(1) of BBA, is amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

(2) by striking subparagraph (C) and inserting the following:

“(C) for each of the years 1998 through 2000, 0 percentage points;

“(D) for each of the years 2001 and 2002, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year minus 2 percentage points; and”.

(b) CONFORMING AMENDMENTS.—Section 1834(a)(9)(B) (42 U.S.C. 1395m(a)(9)(B)), as amended by section 4552(a) of BBA, is amended—

(1) by striking “and” at the end of clause (v);

(2) in clause (vi), by striking “and each subsequent year” and inserting “and 2000” and by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new clause:

“(vii) for 2001 and each subsequent year, the amount determined under this subpara-

graph for the preceding year increased by the covered item update for such subsequent year.”.

SEC. 225. REQUIREMENT FOR NEW PROPOSED RULEMAKING FOR IMPLEMENTATION OF INHERENT REASONABLENESS POLICY.

The Secretary of Health and Human Services shall not exercise inherent reasonableness authority provided under section 1842(b)(8) of the Social Security Act (42 U.S.C. 1395u(b)(8)) before such time as—

(1) the Secretary has published in the Federal Register a new notice of proposed rulemaking to implement subparagraph (A) of such section;

(2) has provided for a period of not less than 60 days for public comment on such proposed rule; and

(3) the Secretary has published in the Federal Register a final rule which takes into account comments received during such period.

SEC. 226. INCREASE IN REIMBURSEMENT FOR PAP SMEARS.

(a) PAP SMEAR PAYMENT INCREASE.—Section 1833(h) (42 U.S.C. 1395l(h)) is amended by adding at the end the following new paragraph:

“(7) Notwithstanding paragraphs (1) and (4), the Secretary shall establish a minimum payment amount under this subsection for all areas for a diagnostic or screening pap smear laboratory test (including all cervical cancer screening technologies that have been approved by the Food and Drug Administration) of not less than \$14.60.”.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Health Care Financing Administration has been slow to incorporate or provide incentives for providers to use new screening diagnostic health care technologies in the area of cervical cancer;

(2) some new technologies have been developed which optimize the effectiveness of pap smear screening; and

(3) the Health Care Financing Administration should institute an appropriate increase in the payment rate for new cervical cancer screening technologies that have been approved by the Food and Drug Administration as significantly more effective than a conventional pap smear.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply to services items and furnished on or after January 1, 2000.

SEC. 227. REFINEMENT OF AMBULANCE SERVICES DEMONSTRATION PROJECT.

Effective as if included in the enactment of BBA, section 4532 of BBA is amended—

(1) in subsection (a), by adding at the end the following: “The Secretary shall publish by not later than July 1, 2000, a request for proposals for such projects.”; and

(2) by amending paragraph (2) of subsection (b) to read as follows:

“(2) CAPITATED PAYMENT RATE DEFINED.—In this subsection, the ‘capitated payment rate’ means, with respect to a demonstration project—

“(A) in its first year, a rate established for the project by the Secretary, using the most current available data, in a manner that ensures that aggregate payments under the project will not exceed the aggregate payment that would have been made for ambulance services under part B of title XVIII of the Social Security Act in the local area of government’s jurisdiction; and

“(B) in a subsequent year, the capitated payment rate established for the previous year increased by an appropriate inflation adjustment factor.”.

SEC. 228. PHASE-IN OF PPS FOR AMBULATORY SURGICAL CENTERS.

If the Secretary of Health and Human Services implements a revised prospective

payment system for services of ambulatory surgical facilities under part B of title XVIII of the Social Security Act, prior to incorporating data from the 1999 Medicare cost survey, such system shall be implemented in a manner so that—

(1) in the first year of its implementation, only a proportion (specified by the Secretary and not to exceed ⅓) of the payment for such services shall be made in accordance with such system and the remainder shall be made in accordance with current regulations; and

(2) in the following year a proportion (specified by the Secretary and not to exceed ⅔) of the payment for such services shall be made under such system and the remainder shall be made in accordance with current regulations.

SEC. 229. EXTENSION OF MEDICARE BENEFITS FOR IMMUNOSUPPRESSIVE DRUGS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall provide under this section for an extension of the period of coverage of immunosuppressive drugs under section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) to individuals described in such section under terms and conditions specified by the Secretary consistent with subsection (c) and the objectives—

(1) of improving health outcomes by decreasing transplant rejection rates that are attributable to failure to comply with immunosuppressive drug regimens; and

(2) of achieving cost saving to the medicare program by decreasing the need for secondary transplants and other care relating to post-transplant complications.

(b) AUTHORITY.—In carrying out this section—

(1) the Secretary shall provide priority in eligibility to those medicare beneficiaries who, because of income or other factors, would be less likely to maintain an immunosuppressive drug regimen in the absence of such an extension; and

(2) the Secretary is authorized to vary the beneficiary cost-sharing otherwise applicable in order to promote the objectives described in subsection (a).

(c) LIMITATIONS.—The total amount expended by the Secretary under title XVIII of the Social Security Act to carry out this section shall not exceed \$200,000,000, and with respect to expenditures in fiscal year 2000 shall not exceed \$40,000,000. The Secretary shall not provide an extension of coverage under this section for immunosuppressive drugs furnished after September 30, 2004.

(d) REPORT.—Not later than 36 months after the first month in which the Secretary provides for extended benefits under this section, the Secretary shall submit to Congress a report on the operation of this section. The report shall include—

(1) an analysis of the impact of this section on meeting the objectives described in subsection (a); and

(2) recommendations regarding an appropriate cost-effective method for extending coverage of immunosuppressive drugs under the medicare program on a permanent basis.

SEC. 230. ADDITIONAL STUDIES.

(a) MEDPAC STUDY ON POSTSURGICAL RECOVERY CARE CENTER SERVICES.—

(1) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on the cost-effectiveness and efficacy of covering under the medicare program services of a post-surgical recovery care center (that provides an intermediate level of recovery care following surgery). In conducting such study, the Commission shall consider data on these centers gathered in demonstration projects.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the

Commission shall submit to Congress a report on such study and shall include in the report recommendations on the feasibility, costs, and savings of covering such services under the medicare program.

(b) ACHPR STUDY ON EFFECT OF CREDENTIALING OF TECHNOLOGISTS AND SONOGRAPHERS ON QUALITY OF ULTRASOUND AND IMAGING SERVICES.—

(1) STUDY.—The Administrator for Health Care Policy and Research shall provide for a study that compares the differences in quality of ultrasound and other imaging services (including error rates and resulting complications) furnished under the medicare and medicaid programs between such services furnished by individuals who are credentialed by private entities or organizations and by those who are not so credentialed. Such study shall examine and evaluate differences in error rates and patient outcomes as a result of the differences in credentialing. In designing the study, the Administrator shall consult with organizations nationally recognized for their expertise in ultrasound procedures.

(2) REPORT.—By not later than two years after the date of the enactment of this Act, the Administrator shall submit a report to Congress on the study conducted under paragraph (1).

(c) MEDPAC STUDY ON THE COMPLEXITY OF THE MEDICARE PROGRAM AND THE LEVELS OF BURDENS PLACED ON PROVIDERS THROUGH FEDERAL REGULATIONS.—

(1) STUDY.—The Medicare Payment Advisory Commission shall undertake a comprehensive study to review the regulatory burdens placed on all classes of health care providers under parts A and B of the medicare program under title XVIII of the Social Security Act and to determine the costs these burdens impose on the nation's health care system. The study shall also examine the complexity of the current regulatory system and its impact on providers.

(2) REPORT.—not later than December 31, 2001, the Commission shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations regarding—

(A) how the Health Care Financing Administration can reduce the regulatory burdens placed on patients and providers; and

(B) legislation that may be appropriate to reduce the complexity of the medicare program, including improvement of the rules regarding billing, compliance, and fraud and abuse.

(d) GAO CONTINUED MONITORING OF DEPARTMENT OF JUSTICE APPLICATION OF GUIDELINES ON USE OF FALSE CLAIMS ACT IN CIVIL HEALTH CARE MATTERS.—The Comptroller General of the United States shall—

(1) continue the monitoring, begun under section 118 of the Department of Justice Appropriations Act, 1999 (included in Public Law 105-277) of the compliance of the Department of Justice and all United States Attorneys with the "Guidance on the Use of the False Claims Act in Civil Health Care Matters" issued by the Department of Justice on June 3, 1998, including any revisions to that guidance; and

(2) not later than April 1, 2000, and of each of the two succeeding years, submit a report on such compliance to the appropriate Committees of Congress.

TITLE III—PROVISIONS RELATING TO PARTS A AND B

Subtitle A—Home Health Services

SEC. 301. ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS NOT INCLUDED IN THE INTERIM PAYMENT SYSTEM; GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.

(a) ADJUSTMENT TO REFLECT ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—In the case of a home health agency that furnishes home health services to a medicare beneficiary, for each such beneficiary to whom the agency furnished such services during the agency's cost reporting period beginning in fiscal year 2000, the Secretary of Health Services shall pay the agency, in addition to any amount of payment made under subsection (v)(1)(L) of such section for the beneficiary and only for such cost reporting period, an aggregate amount of \$10 to defray costs incurred by the agency attributable to data collection and reporting requirements under the Outcome and Assessment Information Set (OASIS) required by reason of section 4602(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note).

(2) PAYMENT SCHEDULE.—

(A) MIDYEAR PAYMENT.—By not later than April 1, 2000, the Secretary shall pay to a home health agency an amount that the Secretary estimates to be 50 percent of the aggregate amount payable to the agency by reason of this subsection.

(B) UPON SETTLED COST REPORT.—The Secretary shall pay the balance of amounts payable to an agency under this subsection on the date that the cost report submitted by the agency for the cost reporting period beginning in fiscal year 2000 is settled.

(3) PAYMENT FROM TRUST FUNDS.—Payments under this subsection shall be made, in appropriate part as specified by the Secretary, from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund.

(4) DEFINITIONS.—in this subsection:

(A) HOME HEALTH AGENCY.—The term "home health agency" has the meaning given that term under section 1861(o) of the Social Security Act (42 U.S.C. 1395x(o)).

(B) HOME HEALTH SERVICES.—The term "home health services" has the meaning given that term under section 1861(m) of such Act (42 U.S.C. 1395x(m)).

(C) MEDICARE BENEFICIARY.—The term "medicare beneficiary" means a beneficiary described in section 1861(v)(1)(L)(vi)(II) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(vi)(II)).

(b) GAO REPORT ON COSTS OF COMPLIANCE WITH OASIS DATA COLLECTION REQUIREMENTS.—

(1) REPORT TO CONGRESS.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to Congress on matters described in subparagraph (B) with respect to the data collection requirement of patients of such agencies under the Outcome and Assessment Information Set (OASIS) standard as part of the comprehensive assessment of patients.

(B) MATTERS STUDIED.—For purposes of subparagraph (A), the matters described in this subparagraph include the following:

(i) An assessment of the costs incurred by medicare home health agencies in complying with such data collection requirement.

(ii) An analysis of the effect of such data collection requirement on the privacy interests of patients from whom data is collected.

(C) AUDIT.—The Comptroller General shall conduct an independent audit of the costs described in subparagraph (B)(i). Not later than

180 days after receipt of the report under subparagraph (A), the Comptroller General shall submit to Congress a report describing the Comptroller General's findings with respect to such audit, and shall include comments on the report submitted to Congress by the Secretary of Health and Human Services under subparagraph (A).

(2) DEFINITIONS.—In this subsection:

(A) COMPREHENSIVE ASSESSMENT OF PATIENTS.—The term "comprehensive assessment of patients" means the rule published by the Health Care Financing Administration that requires, as a condition of participation in the medicare program, a home health agency to provide a patient-specific comprehensive assessment that accurately reflects the patient's current status and that incorporates the Outcome and Assessment Information Set (OASIS).

(B) OUTCOME AND ASSESSMENT INFORMATION SET.—The term "Outcome and Assessment Information Set" means the standard provided under the rule relating to data items that must be used in conducting a comprehensive assessment of patients.

SEC. 302. DELAY IN APPLICATION OF 15 PERCENT REDUCTION IN PAYMENT RATES FOR HOME HEALTH SERVICES UNTIL 1 YEAR AFTER IMPLEMENTATION OF PROSPECTIVE PAYMENT SYSTEM.

(a) CONTINGENCY REDUCTION.—Section 4603(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1395fff note) (as amended by section 5101(c)(3) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105-277)) is amended by striking "September 30, 2000" and inserting "on the date that is 12 months after the date the Secretary implements such system".

(b) PROSPECTIVE PAYMENT SYSTEM.—Section 1895(b)(3)(A)(i) (42 U.S.C. 1395fff(b)(3)(A)(i)) (as amended by section 5101 of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105-277)) is amended to read as follows:

"(i) IN GENERAL.—Under such system the Secretary shall provide for computation of a standard prospective payment amount (or amounts). Such amount (or amounts) shall initially be based on the most current audited cost report data available to the Secretary and shall be computed in a manner so that the total amounts payable under the system—

"(I) for the 12-month period beginning on the date the Secretary implements the system, shall be equal to the total amount that would have been made if the system had not been in effect; and

"(II) for periods beginning after the period described in subclause (I), shall be equal to the total amount that would have been made for fiscal year 2001 if the system had not been in effect but if the reduction in limits described in clause (ii) had been in effect, and updated under subparagraph (B).

Each such amount shall be standardized in a manner that eliminates the effect of variations in relative case mix and wage levels among different home health agencies in a budget neutral manner consistent with the case mix and wage level adjustments provided under paragraph (4)(A). Under the system, the Secretary may recognize regional differences or differences based upon whether or not the services or agency are in an urbanized area."

(c) REPORT.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall submit to Congress a report analyzing the need for the 15 percent reduction under section 1895(b)(3)(A)(ii) of the Social Security Act (42

U.S.C. 1395fff(b)(3)(A)(ii)), or for any reduction, in the computation of the base payment amounts under the prospective payment system for home health services under section 1895 of such Act (42 U.S.C. 1395w-29).

(2) DEADLINE.—The Secretary shall submit to Congress the report described in paragraph (1) by not later than the date that is six months after the date the Secretary implements the prospective payment system for home health services under such section 1895.

SEC. 303. CLARIFICATION OF SURETY BOND REQUIREMENTS.

(a) HOME HEALTH AGENCIES.—Section 1861(o)(7) (42 U.S.C. 1395x(o)(7)) is amended to read as follows:

“(7) provides the Secretary with a surety bond—

“(A) effective for a period of 4 years (as specified by the Secretary) or in the case of a change in the ownership or control of the agency (as determined by the Secretary) during or after such 4-year period, an additional period of time that the Secretary determines appropriate, such additional period not to exceed 4 years from the date of such change in ownership or control;

“(B) in a form specified by the Secretary; and

“(C) for a year in the period described in subparagraph (A) in an amount that is equal to the lesser of \$50,000 or 10 percent of the aggregate amount of payments to the agency under this title and title XIX for that year, as estimated by the Secretary; and”.

(b) COORDINATION OF SURETY BONDS.—Part A of title XI is amended by adding at the end the following new section:

“COORDINATION OF MEDICARE AND MEDICAID SURETY BOND PROVISIONS

“SEC. 1148. In the case of a home health agency that is subject to a surety bond under title XVIII and title XIX, the surety bond provided to satisfy the requirement under one such title shall satisfy the requirement under the other such title so long as the bond applies to guarantee return of overpayments under both such titles.”.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act and in applying section 1861(o)(7) of the Social Security Act, as amended by subsection (a), the Secretary of Health and Human Services may take into account the previous period for which a home health agency had a surety bond in effect under such section before such date.

SEC. 304. TECHNICAL AMENDMENT CLARIFYING APPLICABLE MARKET BASKET INCREASE FOR PPS.

Section 1895(b)(3)(B)(ii)(I) (42 U.S.C. 1395fff(b)(3)(B)(ii)(I)), as added by section 4603 of BBA (as amended by section 5101(d)(2) of the Tax and Trade Relief Extension Act of 1998 (contained in division J of Public Law 105-277)) is amended by striking “fiscal year 2002 or 2003” and inserting “each of fiscal years 2002 and 2003”.

Subtitle B—Direct Graduate Medical Education

SEC. 311. USE OF NATIONAL AVERAGE PAYMENT METHODOLOGY IN COMPUTING DIRECT GRADUATE MEDICAL EDUCATION (DGME) PAYMENTS.

Section 1886(h) (42 U.S.C. 1395ww(h)) is amended—

(1) by amending clause (i) of paragraph (3)(B) to read as follows:

“(i)(I) for a cost reporting period beginning before October 1, 2000, the hospital’s approved FTE resident amount (determined under paragraph (2)) for that period;

“(II) for a cost reporting period beginning on or after October 1, 2000, and before October 1, 2004, the national average per resident amount determined under paragraph (7) or, if

greater, the sum of the hospital-specific percentage (as defined in subparagraph (E)) of the hospital’s approved FTE resident amount (determined under paragraph (2)) for the period and the national percentage (as defined in such subparagraph) of the national average per resident amount determined under paragraph (7); and

“(III) for a cost reporting period beginning on or after October 1, 2004, the national average per resident amount determined under paragraph (7); and”;

(2) in paragraph (3), by adding at the end the following new subparagraph:

“(E) TRANSITION TO NATIONAL AVERAGE PER RESIDENT PAYMENT SYSTEM.—For purposes of subparagraph (B)(i)(II), for the cost reporting period of a hospital beginning—

“(i) during fiscal year 2001, the hospital-specific percentage is 80 percent and the national percentage is 20 percent;

“(ii) during fiscal year 2002, the hospital-specific percentage is 60 percent and the national percentage is 40 percent;

“(iii) during fiscal year 2003, the hospital-specific percentage is 40 percent and the national percentage is 60 percent; and

“(iv) during fiscal year 2004, the hospital-specific percentage is 20 percent and the national percentage is 80 percent.”; and

(3) by adding at the end the following new paragraph:

“(7) NATIONAL AVERAGE PER RESIDENT AMOUNT.—The national average per resident amount for a hospital for a cost reporting period beginning in a fiscal year is an amount determined as follows:

“(A) DETERMINATION OF HOSPITAL SINGLE PER RESIDENT AMOUNT.—The Secretary shall compute for each hospital operating an approved graduate medical education program a single per resident amount equal to the average (weighted by number of full-time equivalent residents) of the primary care per resident amount and the non-primary care per resident amount computed under paragraph (2) for cost reporting periods ending during fiscal year 1997.

“(B) DETERMINATION OF WAGE AND NON-WAGE-RELATED PROPORTION OF THE SINGLE PER RESIDENT AMOUNT.—The Secretary shall estimate the average proportion of the single per resident amounts computed under subparagraph (A) that is attributable to wages and wage-related costs.

“(C) STANDARDIZING PER RESIDENT AMOUNTS.—The Secretary shall establish a standardized per resident amount for each such hospital—

“(i) by dividing the single per resident amount computed under subparagraph (A) into a wage-related portion and a non-wage-related portion by applying the proportion determined under subparagraph (B);

“(ii) by dividing the wage-related portion by the factor applied under subsection (d)(3)(E) for discharges occurring during fiscal year 1999 for the hospital’s area; and

“(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

“(D) DETERMINATION OF NATIONAL AVERAGE.—The Secretary shall compute a national average per resident amount equal to the average of the standardized per resident amounts computed under subparagraph (C) for such hospitals, with the amount for each hospital weighted by the average number of full-time equivalent residents at such hospital.

“(E) APPLICATION TO INDIVIDUAL HOSPITALS.—The Secretary shall compute for each such hospital a per resident amount—

“(i) by dividing the national average per resident amount computed under subparagraph (D) into a wage-related portion and a non-wage-related portion by applying the

proportion determined under subparagraph (B);

“(ii) by multiplying the wage-related portion by the factor described in subparagraph (C)(ii) for the hospital’s area; and

“(iii) by adding the non-wage-related portion to the amount computed under clause (ii).

In applying clause (ii) for a cost reporting period beginning before October 1, 2004, the factor described in such clause shall be deemed to be 1 for a hospital if the national average per resident amount computed under subparagraph (D) is less than the hospital’s approved FTE resident amount (determined under paragraph (2)) for the period involved and the factor described in subparagraph (C)(ii) for the hospital’s area is less than 1.

“(F) INITIAL UPDATING RATE.—The Secretary shall update such per resident amount for the hospital’s cost reporting period that begins during fiscal year 2001 for each such hospital by the estimated percentage increase in the consumer price index for all urban consumers during the period beginning October 1997 and ending with the midpoint of the hospital’s cost reporting period that begins during fiscal year 2001.

“(G) SUBSEQUENT UPDATING.—For each subsequent cost reporting period, subject to subparagraph (H), the national average per resident amount for a hospital is equal to the amount determined under this paragraph for the previous cost reporting period updated, through the midpoint of the period, by projecting the estimated percentage change in the consumer price index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous under-or over-estimations under this subparagraph in the projected percentage change in the consumer price index.

“(H) TRANSITIONAL BUDGET NEUTRALITY ADJUSTMENT.—

“(i) IN GENERAL.—If the Secretary estimates that, as a result of the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, the post-MBBRA expenditures for fiscal year 2005 will be greater or less than the pre-MBBRA expenditures for that fiscal year—

“(I) the Secretary shall adjust the update applied under subparagraph (G) in determining the national average per resident amount for cost reporting periods beginning during fiscal year 2005 so that the amount of the post-MBBRA expenditures for those cost reporting periods is equal to the amount of the pre-MBBRA expenditures for such periods; and

“(II) the Secretary shall, taking into account the adjustment made under subclause (I), adjust the national average per resident amount, as applied for the portion of a cost reporting period beginning during fiscal year 2004 that occur in fiscal year 2005, so that the amount of the post-MBBRA expenditures made during fiscal year 2005 is equal to the amount of the pre-MBBRA expenditures during such fiscal year.

“(ii) DEFINITIONS.—In this subparagraph:

“(I) AGGREGATE SUBSECTION (h)-RELATED EXPENDITURES.—The term ‘aggregate subsection (h)-related expenditures’ means, with respect to cost reporting periods beginning during a fiscal year or with respect to a fiscal year, the aggregate expenditures under this title for such periods or fiscal year, respectively, which are attributable to the operation of this subsection.

“(II) PRE-MBBRA EXPENDITURES.—The term ‘pre-MBBRA expenditures’ means aggregate subsection (h)-related expenditures determined as if the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 had not been enacted.

“(III) POST-MBBRA EXPENDITURES.—The term ‘post-MBBRA expenditures’ means aggregate subsection (h)-related expenditures determined taking into account the amendments made by section 311 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.”.

SEC. 312. INITIAL RESIDENCY PERIOD FOR CHILD NEUROLOGY RESIDENCY TRAINING PROGRAMS.

(a) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended—

(1) in clause (i) by striking “clause (ii)” and inserting “clause (ii) or (iii)”;

(2) in clause (i), by striking “and” at the end;

(3) in clause (ii), by striking the period at the end and inserting “, and”;

(4) by inserting after clause (ii), the following new clause:

“(iii) a period, of not more than three years, during which an individual is in a child neurology residency program, shall be treated as part of the initial residency period, but shall not be counted against any limitation on the initial residency period.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply on and after July 1, 2000, to residency programs that began before, on, or after the date of the enactment of this Act.

(c) MEDPAC REPORT.—The Medicare Payment Advisory Commission shall include in its report submitted to Congress in March of 2001 recommendations on whether there should be an extension of the initial residency period under section 1886(h)(5)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(F)) for other residency training programs in a specialty requiring preliminary years of study in another specialty.

Subtitle C—Other

SEC. 321. GAO STUDY ON GEOGRAPHIC RECLASSIFICATION.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the current laws and regulations for geographic reclassification of hospitals to determine whether such reclassification is appropriate for purposes of applying wage indices under the medicare program and whether it results in more accurate payments for all hospitals. Such study shall examine data on the number of hospitals that are reclassified and their special designation status in determining payments under the medicare program. The study shall evaluate—

(1) the magnitude of the effect of geographic reclassification on rural hospitals that do not reclassify;

(2) whether the current thresholds used in geographic reclassification reclassify hospitals to the appropriate labor markets;

(3) the effect of eliminating geographic reclassification through use of the occupational mix data;

(4) the group reclassification policy;

(5) changes in the number of reclassifications and the compositions of the groups;

(6) the effect of State-specific budget neutrality compared to national budget neutrality; and

(7) whether there are sufficient controls over the intermediary evaluation of the wage data reported by hospitals.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the study conducted under subsection (a).

SEC. 322. MEDPAC STUDY ON MEDICARE PAYMENT FOR NON-PHYSICIAN HEALTH PROFESSIONAL CLINICAL TRAINING IN HOSPITALS.

(a) IN GENERAL.—The Medicare Payment Advisory Commission shall conduct a study on medicare payment policy with respect to

professional clinical training of different classes of non-physician health care professionals (such as nurses, nurse practitioners, allied health professionals, physician assistants, and psychologists) and the basis for any differences in treatment among such classes.

(b) REPORT.—The Commission shall submit a report to Congress on the study conducted under subsection (a) not later than 18 months after the date of the enactment of this Act.

TITLE IV—RURAL PROVIDER PROVISIONS

SEC. 401. PERMITTING RECLASSIFICATION OF CERTAIN URBAN HOSPITALS AS RURAL HOSPITALS.

(a) IN GENERAL.—Section 1886(d)(8) (42 U.S.C. 1395ww(d)(8)) is amended by adding at the end the following new subparagraph:

“(E)(i) For purposes of this subsection, not later than 60 days after the receipt of an application from a subsection (d) hospital described in clause (ii), the Secretary shall treat the hospital as being located in the rural area (as defined in such paragraph (2)(D)) of the State in which the hospital is located.

“(ii) For purposes of clause (i), a subsection (d) hospital described in this clause is a subsection (d) hospital that is located in an urban area (as defined in paragraph (2)(D)) and satisfies any of the following criteria:

“(I) The hospital is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).

“(II) The hospital is located in an area designated by any law or regulation of such State as a rural area (or is designated by such State as a rural hospital).

“(III) The hospital would qualify as a rural or regional or national referral center under paragraph (5)(C) or as a sole community hospital under paragraph (5)(D) if the hospital were located in a rural area.

“(IV) The hospital meets such other criteria as the Secretary may specify.”.

(b) CONFORMING CHANGES.—(1) Section 1833(t) (42 U.S.C. 1395l(t)), as amended by sections 211 and 212, is further amended by adding at the end the following new paragraph:

“(13) MISCELLANEOUS PROVISIONS.—

“(A) APPLICATION OF RECLASSIFICATION OF CERTAIN HOSPITALS.—If a hospital is being treated as being located a rural under section 1886(d)(8)(E), that hospital shall be treated under this subsection as being located in that rural area.”.

(2) Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i-4(c)(2)(B)(i)) is amended by inserting “or is treated as being located in a rural area pursuant to section 1886(d)(8)(E)” after “section 1886(d)(2)(D))”.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 2000.

SEC. 402. UPDATE OF STANDARDS APPLIED FOR GEOGRAPHIC RECLASSIFICATION FOR CERTAIN HOSPITALS.

(a) IN GENERAL.—Section 1886(d)(8)(B) (42 U.S.C. 1395ww(d)(8)(B)) is amended—

(1) by inserting “(i)” after “(B)”;

(2) by striking “published in the Federal Register on January 3, 1980” and inserting “described in clause (ii)”;

(3) by adding at the end the following new clause:

“(ii) The standards described in this clause for cost reporting periods beginning in a fiscal year—

“(I) before fiscal year 2003, are the standards published in the Federal Register on January 3, 1980, or, at the election of the hospital with respect to fiscal years 2001 and 2002, standards so published on March 30, 1990; and

“(II) after fiscal year 2002, are the standards published in the Federal Register by the Director of the Office of Management and Budget based on the most recent available decennial population data. Subparagraphs (C) and (D) shall not apply with respect to the application of subclause (I).”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to discharges occurring during cost reporting periods beginning on or after October 1, 1999.

SEC. 403. IMPROVEMENTS IN THE CRITICAL ACCESS HOSPITAL (CAH) PROGRAM.

(a) APPLYING 96-HOUR LIMIT ON A AVERAGE ANNUAL BASIS.—

(1) IN GENERAL.—Section 1820(c)(2)(B)(iii) (42 U.S.C. 1395i-4(c)(2)(B)(iii)), as added by section 4201(a) of BBA, is amended by striking “for a period not to exceed 96 hours” and all that follows and inserting “for a period that does not exceed, as determined on an annual, average basis, 96 hours per patient”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on the date of the enactment of this Act.

(b) PERMITTING FOR-PROFIT HOSPITALS TO QUALIFY FOR DESIGNATION AS A CRITICAL ACCESS HOSPITAL.—Section 1820(c)(2)(B)(i) (42 U.S.C. 1395i-4(c)(2)(B)(i)), as added by section 4201(a) of BBA, is amended in the matter preceding subclause (i), by striking “nonprofit or public hospital” and inserting “hospital”.

(c) ALLOWING CLOSED OR DOWNSIZED HOSPITALS TO CONVERT TO CRITICAL ACCESS HOSPITALS.—Section 1820(c)(2) (42 U.S.C. 1395i-4(c)(2)), as added by section 4201(a) of BBA, is amended—

(1) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B), (C), and (D)”;

(2) by adding at the end the following new subparagraphs:

“(C) RECENTLY CLOSED FACILITIES.—A State may designate a facility as a critical access hospital if the facility—

“(i) was a hospital that ceased operations on or after the date that is 10 years before the date of enactment of this subparagraph; and

“(ii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).

“(D) DOWNSIZED FACILITIES.—A State may designate a health clinic or a health center (as defined by the State) as a critical access hospital if such clinic or center—

“(i) is licensed by the State as a health clinic or a health center;

“(ii) was a hospital that was downsized to a health clinic or health center; and

“(iii) as of the effective date of such designation, meets the criteria for designation under subparagraph (B).”.

(d) ALL-INCLUSIVE PAYMENT OPTION FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.—

(1) IN GENERAL.—Section 1834(g) (42 U.S.C. 1395m(g)), as added by section 4201(c)(5) of BBA, is amended to read as follows:

“(g) PAYMENT FOR OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.—

“(1) ELECTION OF CAH.—At the election of a critical access hospital, the amount of payment for outpatient critical access hospital services under this part shall be determined under paragraph (2) or (3), such amount determined under either paragraph without regard to the amount of the customary or other charge.

“(2) COST-BASED HOSPITAL OUTPATIENT SERVICE PAYMENT PLUS FEE SCHEDULE FOR PROFESSIONAL SERVICES.—If a hospital elects this paragraph to apply, there shall be paid amounts equal to the sum of the following, less the amount that such hospital may charge as described in section 1866(a)(2)(A):

“(A) FACILITY FEE.—With respect to facility services, not including any services for

which payment may be made under subparagraph (B), the reasonable costs of the critical access hospital in providing such services.

“(B) FEE SCHEDULE FOR PROFESSIONAL SERVICES.—With respect to professional services otherwise included within outpatient critical access hospital services, such amounts as would otherwise be paid under this part if such services were not included in outpatient critical access hospital services.

“(3) ALL-INCLUSIVE RATE.—If a hospital elects this paragraph to apply, with respect to both facility services and professional services, there shall be paid amounts equal to the reasonable costs of the critical access hospital in providing such services, less the amount that such hospital may charge as described in section 1866(a)(2)(A).”.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for cost reporting periods beginning on or after October 1, 1999.

(e) ELIMINATION OF COINSURANCE FOR CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED BY A CRITICAL ACCESS HOSPITAL ON AN OUTPATIENT BASIS.—

(1) IN GENERAL.—Section 1833(a)(1)(D) (42 U.S.C. 1395l(a)(1)(D)) is amended by inserting “or which are furnished on an outpatient basis by a critical access hospital” after “on an assignment-related basis”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished on or after the date of the enactment of this Act.

(f) PARTICIPATION IN SWING BED PROGRAM.—Section 1883 (42 U.S.C. 1395tt) is amended—

(1) in subsection (a)(1), by striking “(other than a hospital which has in effect a waiver under subparagraph (A) of the last sentence of section 1861(e))”; and

(2) in subsection (c), by striking “, or during which there is in effect for the hospital a waiver under subparagraph (A) of the last sentence of section 1861(e)”.

SEC. 404. 5-YEAR EXTENSION OF MEDICARE DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)), as amended by section 4204(a)(1) of BBA, is amended—

(1) in clause (i), by striking “and before October 1, 2001,” and inserting “and before October 1, 2006”; and

(2) in clause (ii)(II), by striking “and before October 1, 2001,” and inserting “and before October 1, 2006”.

(b) CONFORMING AMENDMENTS.—

(1) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)), as amended by section 4204(a)(2) of BBA, is amended—

(A) in the matter preceding clause (i), by striking “and before October 1, 2001,” and inserting “and before October 1, 2006”; and

(B) in clause (iv), by striking “during fiscal year 1998 through fiscal year 2000” and inserting “during fiscal year 1998 through fiscal year 2005”.

(2) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note), as amended by section 4204(a)(3) of BBA, is amended by striking “or fiscal year 2000” and inserting “or fiscal year 2000 through fiscal year 2005”.

SEC. 405. REBASING FOR CERTAIN SOLE COMMUNITY HOSPITALS.

Section 1886(b)(3) (42 U.S.C. 1395ww(b)(3)), as amended by sections 4413 and 4414 of BBA, is amended—

(1) in subparagraph (C), by inserting “subject to subparagraph (I)” before “the term ‘target amount’ means”; and

(2) by adding at the end the following new subparagraph:

“(I)(i) For cost reporting periods beginning on or after October 1, 2000, in the case of a sole community hospital that for its cost reporting period beginning during 1999 is paid on the basis of the target amount applicable to the hospital under subparagraph (C) and that elects (in a form and manner determined by the Secretary) this subparagraph to apply to the hospital, there shall be substituted for the base cost reporting period described in subparagraph (C) the rebased target amount determined under this subparagraph.

“(ii) For purposes of clause (i), the rebased target amount applicable to a hospital making an election under this subparagraph is equal to the sum of the following:

“(I) With respect to discharges occurring in fiscal year 2001, 75 percent of the target amount applicable to the hospital under subparagraph (C) (hereinafter in this subparagraph referred to as the ‘subparagraph (C) target amount’) and 25 percent of the amount of the allowable operating costs of inpatient hospital services (as defined in subsection (a)(4)) recognized under this title for the hospital for the 12-month cost reporting period beginning during fiscal year 1996 (hereinafter in this subparagraph referred to as the ‘rebased target amount’), increased by the applicable percentage increase under subparagraph (B)(iv).

“(II) With respect to discharges occurring in fiscal year 2002, 50 percent of the subparagraph (C) target amount and 50 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

“(III) With respect to discharges occurring in fiscal year 2003, 25 percent of the subparagraph (C) target amount and 75 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).

“(IV) With respect to discharges occurring in fiscal year 2003 or any subsequent fiscal year, 100 percent of the rebased target amount, increased by the applicable percentage increase under subparagraph (B)(iv).”.

SEC. 406. INCREASED FLEXIBILITY IN PROVIDING GRADUATE PHYSICIAN TRAINING IN RURAL AREAS.

(a) PERMITTING 30 PERCENT EXPANSION IN CURRENT GME TRAINING PROGRAMS FOR HOSPITALS LOCATED IN RURAL AREAS.—

(1) PAYMENT FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(h)(4)(F) (42 U.S.C. 1395ww(h)(4)(F)), as added by section 4623 of BBA, is amended by inserting “(or, 130 percent of such number in the case of a hospital located in a rural area)” after “may not exceed the number”.

(2) PAYMENT FOR INDIRECT GRADUATE MEDICAL EDUCATION COSTS.—Section 1886(d)(5)(B)(v) (42 U.S.C. 1395ww(d)(5)(B)(v)), as added by section 4621(b)(1) of BBA, is amended by inserting “(or, 130 percent of such number in the case of a hospital located in a rural area)” after “may not exceed the number”.

(3) EFFECTIVE DATES.—(A) The amendment made by paragraph (1) applies to cost reporting periods beginning on or after October 1, 1999.

(B) The amendment made by paragraph (2) applies to discharges occurring on or after October 1, 1999.

(b) SPECIAL RULE FOR NON-RURAL FACILITIES SERVING RURAL AREAS.—

(1) IN GENERAL.—Section 1886(h)(4)(H) (42 U.S.C. 1395ww(h)(4)(H)), as added by section 4623 of BBA, is amended by adding at the end the following new clause:

“(iv) NON-RURAL HOSPITALS OPERATING TRAINING PROGRAMS IN UNDERSERVED RURAL AREAS.—In the case of a hospital that is not located in a rural area but establishes separately accredited approved medical residency

training programs (or rural tracks) in an underserved rural area or has an accredited training program with an integrated rural track, the Secretary shall adjust the limitation under subparagraph (F) in an appropriate manner insofar as it applies to such programs in such underserved rural areas in order to encourage the training of physicians in underserved rural areas.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies with respect to—

(A) payments to hospitals under section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) for cost reporting periods beginning on or after October 1, 1999; and

(B) payments to hospitals under section 1886(d)(5)(B)(v) of such Act (42 U.S.C. 1395ww(d)(5)(B)(v)) for discharges occurring on or after October 1, 1999.

SEC. 407. ELIMINATION OF CERTAIN RESTRICTIONS WITH RESPECT TO HOSPITAL SWING BED PROGRAM.

(a) ELIMINATION OF REQUIREMENT FOR STATE CERTIFICATE OF NEED.—Section 1883(b) (42 U.S.C. 1395tt(b)) is amended to read as follows:

“(b) The Secretary may not enter into an agreement under this section with any hospital unless, except as provided under subsection (g), the hospital is located in a rural area and has less than 100 beds.”.

(b) ELIMINATION OF SWING BED RESTRICTIONS ON CERTAIN HOSPITALS WITH MORE THAN 49 BEDS.—Section 1883(d) (42 U.S.C. 1395tt(d)) is amended—

(1) by striking paragraphs (2) and (3); and

(2) by striking “(d)(1)” and inserting “(d)”.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is the first day after the expiration of the transition period under section 1888(e)(2)(E) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(E)), as added by section 4432(a) of BBA, for payments for covered skilled nursing facility services under the medicare program.

SEC. 408. GRANT PROGRAM FOR RURAL HOSPITAL TRANSITION TO PROSPECTIVE PAYMENT.

Section 1820(g) (42 U.S.C. 1395i-4(g)), as added by section 4201(a) of BBA, is amended by adding at the end the following new paragraph:

“(3) UPGRADING DATA SYSTEMS.—

“(A) GRANTS TO HOSPITALS.—The Secretary may award grants to hospitals that have submitted applications in accordance with subparagraph (C) to assist eligible small rural hospitals in meeting the costs of implementing data systems required to meet requirements established under the medicare program pursuant to amendments made by the Balanced Budget Act of 1997.

“(B) ELIGIBLE SMALL RURAL HOSPITAL DEFINED.—For purposes of this paragraph, the term ‘eligible small rural hospital’ means a non-Federal, short-term general acute care hospital that—

“(i) is located in a rural area (as defined for purposes of section 1886(d)); and

“(ii) has less than 50 beds.

“(C) APPLICATION.—A hospital seeking a grant under this paragraph shall submit an application to the Secretary on or before such date and in such form and manner as the Secretary specifies.

“(D) AMOUNT OF GRANT.—A grant to a hospital under this paragraph may not exceed \$50,000.

“(E) USE OF FUNDS.—A hospital receiving a grant under this paragraph may use the funds for the purchase of computer software and hardware and for the education and training of hospital staff on computer information systems and costs related to the implementation of prospective payment systems.

“(F) REPORT.—

“(i) INFORMATION.—A hospital receiving a grant under this section shall furnish the Secretary with such information as the Secretary may require to evaluate the project for which the grant is made and to ensure that the grant is expended for the purposes for which it is made.

“(ii) REPORTING.—

“(I) INTERIM REPORTS.—The Secretary shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate at least annually on the grant program established under this section, including in such report information on the number of grants made, the nature of the projects involved, the geographic distribution of grant recipients, and such other matters as the Secretary deems appropriate.

“(II) FINAL REPORT.—The Secretary shall submit a final report to such committees not later than 180 days after the completion of all of the projects for which a grant is made under this section.”

SEC. 409. MEDPAC STUDY OF RURAL PROVIDERS.

(a) STUDY.—The Medicare Payment Advisory Commission shall conduct a study on rural providers furnishing items and services for which payment is made under title XVIII of the Social Security Act. Such study shall examine and evaluate the adequacy and appropriateness of the categories of special payments (and payment methodologies) established for rural hospitals under the Medicare program, and their impact on beneficiary access and quality of health care services.

(b) REPORT.—By not later than 18 months after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on the study conducted under subsection (a).

SEC. 410. EXPANSION OF ACCESS TO PARAMEDIC INTERCEPT SERVICES IN RURAL AREAS.

(a) EXPANSION OF PAYMENT AREAS.—Section 4531(c) of BBA (42 U.S.C. 1395x(s)(7) note, 111 Stat. 452) is amended by adding at the end the following flush sentence:

“For purposes of this subsection, an area shall be treated as a rural area if it is designated as a rural area by any law or regulation of the State or if it is located in a rural census tract of a metropolitan statistical area (as determined under the Goldsmith Modification, as published in the Federal Register on February 27, 1992 (57 FR 6725)).”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2000, and applies to paramedic intercept services furnished on or after such date.

TITLE V—PROVISIONS RELATING TO PART C (MEDICARE+CHOICE PROGRAM)

Subtitle A—Medicare+Choice

SEC. 501. PHASE-IN OF NEW RISK ADJUSTMENT METHODOLOGY.

Section 1853(a)(3)(C) (42 U.S.C. 1395w-23(a)(3)(C)) is amended—

(1) by redesignating the first sentence as clause (i) with the heading “IN GENERAL.—” and appropriate indentation; and

(2) by adding at the end the following new clause:

“(i) PHASE-IN.—Such risk adjustment methodology shall be implemented in a phased-in manner so that the methodology insofar as it makes adjustments for health status based on clinical data applies to—

“(I) not more than 10 percent of the payment amount in 2000 and 2001;

“(II) not more than 20 percent of such amount in 2002;

“(III) not more than 30 percent of such amount in 2003; and

“(IV) 100 percent of such amount in any subsequent year (at which time the risk ad-

justment methodology should reflect data from multiple settings).”

SEC. 502. ENCOURAGING OFFERING OF MEDICARE+CHOICE PLANS IN AREAS WITHOUT PLANS.

Section 1853 (42 U.S.C. 1395w-23) is amended—

(1) in subsection (a)(1), by striking “subsections (e) and (f)” and inserting “subsections (e), (g), and (i)”; and

(2) in subsection (c)(5), by inserting “(other than those attributable to subsection (i))” after “payments under this part”; and

(3) by adding at the end the following new subsection:

“(i) NEW ENTRY BONUS.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), in the case of Medicare+Choice payment area in which a Medicare+Choice plan has not been offered since 1997 (or in which all organizations that offered a plan since such date have filed notice with the Secretary, as of October 13, 1999, that they will not be offering such a plan as of January 1, 2000), the amount of the monthly payment otherwise made under this subsection shall be increased—

“(A) only for the first 12 months in which any Medicare+Choice plan is offered in the area, by 5 percent of the total monthly payment otherwise computed for such payment area; and

“(B) only for the subsequent 12 months, by 3 percent of the total monthly payment otherwise computed for such payment area.

“(2) PERIOD OF APPLICATION.—Paragraph (1) shall only apply to payment for Medicare+Choice plans which are first offered in a Medicare+Choice payment area during the 2-year period beginning with January 1, 2000.

“(3) LIMITATION TO ORGANIZATION OFFERING FIRST PLAN IN AN AREA.—Paragraph (1) shall only apply to payment to the first Medicare+Choice organization that offers a Medicare+Choice plan in each Medicare+Choice payment area, except that if more than one such organization first offers such a plan in an area on the same date, paragraph (1) shall apply to payment for such organizations.

“(4) CONSTRUCTION.—Nothing in paragraph (1) shall be construed as affecting the calculation of the annual Medicare+Choice capitation rate for any payment area under subsection (c) or as applying to payment for any period not described in such paragraph.

“(5) OFFERED DEFINED.—In this subsection, the term “offered” means, with respect to a Medicare+Choice plan as of a date, that a Medicare+Choice eligible individual may enroll with the plan on that date, regardless of when the enrollment takes effect or the individual obtain benefits under the plan.”

SEC. 503. MODIFICATION OF 5-YEAR RE-ENTRY RULE FOR CONTRACT TERMINATIONS.

(a) IN GENERAL.—Section 1857(c)(4) (42 U.S.C. 1395w-27(c)(4)) is amended—

(1) by inserting “as provided in paragraph (2) and except” after “except”; and

(2) by redesignating the first sentence as a subparagraph (A) with an appropriate indentation and the heading “IN GENERAL.—”; and

(3) by adding at the end the following new subparagraph:

“(B) EARLIER RE-ENTRY PERMITTED WHERE CHANGE IN PAYMENT POLICY AND NO MORE THAN ONE OTHER PLAN AVAILABLE.—Subparagraph (A) shall not apply with respect to the offering by a Medicare+Choice organization of a Medicare+Choice plan in a Medicare+Choice payment area if—

“(i) during the 6-month period beginning on the date the organization notified the Secretary of the intention to terminate the most recent previous contract, there was a legislative change enacted (or a regulatory

change adopted) that has the effect of increasing payment rates under section 1853 for that Medicare+Choice payment area; and

“(ii) at the time the organization notifies the Secretary of its intent to enter into a contract to offer such a plan in the area, there is no more than one Medicare+Choice plan offered in the area.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to contract terminations occurring before, on, or after the date of the enactment of this Act.

SEC. 504. CONTINUED COMPUTATION AND PUBLICATION OF AAPCC DATA.

(a) IN GENERAL.—Section 1853(b) (42 U.S.C. 1395w-23(b)) is amended by adding at the end the following new paragraph:

“(4) CONTINUED COMPUTATION AND PUBLICATION OF COUNTY-SPECIFIC PER CAPITA FEE-FOR-SERVICE EXPENDITURE INFORMATION.—The Secretary, through the Chief Actuary of the Health Care Financing Administration, shall provide for the computation and publication, on an annual basis at the time of publication of the annual Medicare+Choice capitation rates, of information on the level of the average annual per capita costs (described in section 1876(a)(4)) for each Medicare+Choice payment area.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply to publications of the annual Medicare+Choice capitation rates made on or after such date.

SEC. 505. CHANGES IN MEDICARE+CHOICE ENROLLMENT RULES.

(a) PERMITTING ENROLLMENT IN ALTERNATIVE MEDICARE+CHOICE PLANS AND MEDIGAP COVERAGE IN CASE OF INVOLUNTARY TERMINATION OF MEDICARE+CHOICE ENROLLMENT.—

(1) IN GENERAL.—Section 1851(e)(4) (42 U.S.C. 1395w-21(e)(4)) is amended by striking subparagraph (A) and inserting the following:

“(A)(i) the certification of the organization or plan under this part has been terminated, or the organization or plan has notified the individual or the Secretary of an impending termination of such certification; or

“(ii) the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides, or has notified the individual or Secretary of an impending termination or discontinuation of such plan;”

(2) CONFORMING MEDIGAP AMENDMENT.—Section 1882(s)(3) (42 U.S.C. 1395ss(s)(3)) is amended—

(A) in subparagraph (A), by inserting “, subject to subparagraph (E),” after “in the case of an individual described in subparagraph (B) who”; and

(B) by adding at the end the following new subparagraph:

“(E)(i) An individual described in subparagraph (B)(ii) may elect to apply subparagraph (A) by substituting, for the date of termination of enrollment, the date on which the individual or Secretary was notified by the Medicare+Choice organization of the impending termination or discontinuance of the Medicare+Choice plan in the area in which the individual resides, but only if the individual disenrolls from the plan as a result of such notification.

“(ii) In the case of an individual making such an election, the issuer involved shall accept the application of the individual submitted before the date of termination of enrollment, but the coverage under subparagraph (A) shall only become effective upon termination of coverage under the Medicare+Choice plan involved.”

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to notices of impending terminations or

discontinuances made on or after the date of the enactment of this Act.

(b) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—Section 1851(e)(2) (42 U.S.C. 1395w-21(e)(2)) is amended—

(1) in subparagraph (B)(i), by inserting “and subparagraph (D)” after “clause (ii)”;

(2) in subparagraph (C)(i), by inserting “and subparagraph (D)” after “clause (ii)”; and

(3) by adding at the end the following new subparagraph:

“(D) CONTINUOUS OPEN ENROLLMENT FOR INSTITUTIONALIZED INDIVIDUALS.—At any time after 2001 in the case of a Medicare+Choice eligible individual who is institutionalized, the individual may change the election under subsection (a)(1).”

(c) CONTINUING ENROLLMENT FOR CERTAIN ENROLLEES.—Section 1851(b)(1) (42 U.S.C. 1395w-21(b)(1)) is amended—

(1) in subparagraph (A), by inserting “and except as provided in subparagraph (C)” after “may otherwise provide”; and

(2) by adding at the end the following new subparagraph:

“(C) CONTINUATION OF ENROLLMENT PERMITTED WHERE SERVICE CHANGED.—Notwithstanding subparagraph (B), if a Medicare+Choice organization eliminates from its service area a geographic area that was previously within its service area, the organization may elect to offer individuals residing in all or portions of the affected geographic area who would otherwise be ineligible to continue enrollment the option to continue enrollment in a Medicare+Choice plan it offers so long as—

“(i) the enrollee agrees to receive the full range of basic benefits (excluding emergency and urgently needed care) exclusively at facilities designated by the organization within the plan service area; and

“(ii) there is no other Medicare+Choice plan offered in the area in which the enrollee resides at the time of the organization’s election.”

(d) EFFECTIVE DATE.—The amendments made by subsection (b) and (c) apply as if included in the enactment of BBA and the amendments made by subsection (c) apply to eliminations of geographic areas from a service area that occur before, on, or after the date of the enactment of this Act.

SEC. 506. ALLOWING VARIATION IN PREMIUM WAIVERS WITHIN A SERVICE AREA IF MEDICARE+CHOICE PAYMENT RATES VARY WITHIN THE AREA.

(a) IN GENERAL.—Section 1854(c) (42 U.S.C. 1395w-24(c)) is amended—

(1) by striking “The” and inserting “Subject to paragraph (2), the”;

(2) by redesignating the first sentence as a paragraph (1) with an appropriate indentation and the heading “IN GENERAL.—”;

(3) by adding at the end the following new paragraph:

“(2) VARIATION IN PREMIUM WAIVER PERMITTED.—A Medicare+Choice organization may waive part or all of a premium described in paragraph (1) for one or more Medicare+Choice payment areas within its service area if the annual Medicare+Choice capitation rates under section 1853(c) vary between such payment area and other payment areas within such service area.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to premiums for contract years beginning on or after January 1, 2001.

SEC. 507. DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.

(a) DELAY IN DEADLINE FOR SUBMISSION OF ADJUSTED COMMUNITY RATES AND RELATED INFORMATION.—Section 1854(a)(1) (42 U.S.C. 1395w-24(a)(1)) is amended by striking “May 1” and inserting “July 1”.

(b) ADJUSTMENT IN INFORMATION DISCLOSURE PROVISIONS.—Section 1851(d)(2)(A)(ii) (42 U.S.C. 1395w-21(d)(2)(A)(ii)) is amended by inserting after “information described in paragraph (4) concerning such plans” the following: “, to the extent such information is available at the time of preparation of the material for mailing”.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to information submitted by Medicare+Choice organizations (and provided to beneficiaries) for years beginning with 1999.

SEC. 508. 2 YEAR EXTENSION OF MEDICARE COST CONTRACTS.

Section 1876(h)(5)(B) (42 U.S.C. 1395mm(h)(5)(B)) is amended by striking “2002” and inserting “2004”.

SEC. 509. MEDICARE+CHOICE NURSING AND ALLIED HEALTH PROFESSIONAL EDUCATION PAYMENTS.

Section 1886(d)(11) (42 U.S.C. 1395ww(d)(11)) is amended—

(1) in subparagraph (A)—

(A) by designating the portion following “IN GENERAL.—” as a clause (i) with the heading “GRADUATE MEDICAL TRAINING.—” and appropriate indentation; and

(B) by adding at the end the following new clause:

“(ii) NURSING AND ALLIED HEALTH TRAINING.—For portions of cost reporting periods occurring on or after January 1, 2000, the Secretary shall provide for an additional payment amount for each applicable discharge of any subsection (d) hospital that has direct costs of approved education activities for nurse and allied health professional training.”;

(2) in subparagraph (C)—

(A) designating the portion following “DETERMINATION OF AMOUNT.—” as a clause (i) with the heading “GRADUATE MEDICAL TRAINING.—” and appropriate indentation;

(B) by striking “under this paragraph” and inserting “under subparagraph (A)(i)”;

(C) by inserting “the DGME portion (as defined in clause (iii)) of” after “shall be equal to”; and

(D) by adding at the end the following new clauses:

“(ii) NURSING AND ALLIED HEALTH TRAINING.—The amount of the payment under subparagraph (A)(ii) with respect to any applicable discharge shall be equal to an amount specified by the Secretary in a manner consistent with the following:

“(I) The total payments under such subparagraph in a year shall bear the same ratio to the Secretary’s estimate of the total payments under subparagraph (A)(i) in the year as the ratio (as estimated by the Secretary) of the total payments under this title for direct costs described in subparagraph (A)(ii) in the year bear to the total payments under section 1886(h) in the year; but in no case shall the total payments under subparagraph (A)(ii) exceed \$60,000,000 in a year.

“(II) The payments to different hospitals are proportional to the direct costs of each hospital described in subparagraph (A)(ii).

“(iii) DGME PORTION DEFINED.—For purposes of this subparagraph, the ‘DGME portion’ means, for a year, the ratio of—

“(I) the amount by which (aa) the Secretary’s estimate of the total additional payments that would be payable under this paragraph for the year if subparagraph (A)(ii) and clause (i) of this subparagraph did not apply, exceeds (bb) the total payments in the year under subparagraph (A)(ii); to

“(II) the total additional payments estimated under subclause (I)(aa) for the year.”.

SEC. 510. REDUCTION IN ADJUSTMENT IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE FOR 2002.

Section 1853(c)(6)(B)(iv) (42 U.S.C. 1395w-23(c)(6)(B)(iv)) is amended by striking “0.5 percentage points” and inserting “0.3 percentage points”.

SEC. 511. DEEMING OF MEDICARE+CHOICE ORGANIZATION TO MEET REQUIREMENTS.

Section 1852(e)(4) (42 U.S.C. 1395w-22(e)(4)) is amended to read as follows:

“(4) TREATMENT OF ACCREDITATION.—The Secretary shall provide that a Medicare+Choice organization is deemed to meet requirements of paragraphs (1) and (2) of this subsection and subsection (h) (relating to confidentiality and accuracy of enrollee records) if the organization is accredited (and periodically reaccredited) by a private accrediting organization under a process that the Secretary has determined assures that the accrediting organization applies standards that meet or exceed the standards established under section 1856 to carry out the respective requirements. The Secretary shall determine, within 210 days after the date the Secretary receives an application by a private accrediting organization, whether the process of the private accrediting organization meets the requirements of the preceding sentence using the criteria specified in section 1865(b)(2). The Secretary shall, using the process described in section 1865(b), deem a Medicare+Choice organization that is so accredited as meeting the requirements of paragraphs (1) and (2) of this subsection and subsection (h).”

SEC. 512. MISCELLANEOUS CHANGES AND STUDIES.

(a) PERMITTING RELIGIOUS FRATERNAL BENEFIT SOCIETIES TO OFFER A RANGE OF MEDICARE+CHOICE PLANS.—Section 1859(e)(2) (42 U.S.C. 1395w-29(e)(2)) is amended in the matter preceding subparagraph (A) by striking “section 1851(a)(2)(A)” and inserting “section 1851(a)(2)”.

(b) STUDY OF ACCOUNTING FOR VA AND DOD EXPENDITURES FOR MEDICARE BENEFICIARIES.—The Secretary of Health and Human Services, jointly with the Secretaries of Defense and of Veterans Affairs, shall submit to Congress not later than 1 year after the date of the enactment of this Act a report on the estimated use of health care services furnished by the Departments of Defense and of Veterans Affairs to medicare beneficiaries, including both beneficiaries under the original medicare fee-for-service program and under the Medicare+Choice program. The report shall include an analysis of how best to properly account for expenditures for such services in the computation of Medicare+Choice capitation rates.

(c) PROMOTING PROMPT IMPLEMENTATION OF INFORMATICS, TELEMEDICINE, AND EDUCATION DEMONSTRATION PROJECT.—Section 4207 of BBA is amended—

(1) in subsection (a)(1), by adding at the end the following: “The Secretary shall make an award for such project not later than 3 months after the date of the enactment of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999. The Secretary shall accept the proposal adjudged to be the best technical proposal as of such date of enactment without the need for additional review or resubmission of proposals.”;

(2) in subsection (a)(2)(A), by inserting before the period at the end the following: “that qualify as Federally designated medically underserved areas or health professional shortage areas at the time of enrollment of beneficiaries under the project”;

(3) in subsection (c)(2), by striking “and the source and amount of non-Federal funds used in the project”;

(4) in subsection (d)(2)(A), by striking “at a rate of 50 percent of the costs that are reasonable and” and inserting “for the costs that are related”;

(5) in subsection (d)(2)(B)(i), by striking “(but only in the case of patients located in medically underserved areas)” and inserting “or at sites providing health care to patients located in medically underserved areas”;

(6) in subsection (d)(2)(C)(i), by striking “to deliver medical informatics services under” and inserting “for activities related to”; and

(7) by amending paragraph (4) of subsection (d) to read as follows:

“(4) **COST-SHARING.**—The project may not impose cost sharing on a medicare beneficiary for the receipt of services under the project. Project costs will cover all costs to patients and providers related to participation in the project.”

SEC. 513. MEDPAC REPORT ON MEDICARE MSA (MEDICAL SAVINGS ACCOUNT) PLANS.

Not later than 1 year after the date of the enactment of this Act, the Medicare Payment Advisory Commission shall submit to Congress a report on specific legislative changes that should be made to make MSA plans a viable option under the Medicare+Choice program.

SEC. 514. CLARIFICATION OF NONAPPLICABILITY OF CERTAIN PROVISIONS OF DISCHARGE PLANNING PROCESS TO MEDICARE+CHOICE PLANS.

(a) **IN GENERAL.**—Section 1861(ee)(2)(H) (42 U.S.C. 1395x(ee)(2)(H)), as added by section 4431 of BBA, is amended—

(1) in clause (i)—

(A) by striking “not specify” and inserting “subject to clause (iii), not specify”; and

(B) by striking “and” at the end; and

(2) in clause (ii), by striking the period at the end and inserting “, and”; and

(3) by adding at the end the following new clause:

“(iii) for individuals enrolled under a Medicare+Choice plan, under a contract with the Secretary under section 1857, for whom a hospital furnishes inpatient hospital services, the hospital may specify with respect to such individual the provider of post-hospital home health services or other post-hospital services under the plan.”

Subtitle B—Managed Care Demonstration Projects

SEC. 521. EXTENSION OF SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATION (SHMO) PROJECT AUTHORITY.

(a) **EXTENSION.**—Section 4018(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), as amended by section 4014(a)(1) of BBA, is amended—

(1) in paragraph (1), by striking “December 31, 2000” and inserting “the date that is 18 months after the date that the Secretary submits to Congress the report described in section 4014(c) of the Balanced Budget Act of 1997”; and

(2) by adding at the end of paragraph (4) the following: “Not later than 6 months after the date the Secretary submits such final report, the Medicare Payment Advisory Commission shall submit to Congress a report containing recommendations regarding such project.”

(b) **SUBSTITUTION OF AGGREGATE CAP.**—Section 13567(c) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66), as amended by section 4014(b) of BBA, is amended to read as follows:

“(c) **AGGREGATE LIMIT ON NUMBER OF MEMBERS.**—The Secretary of Health and Human Services may not impose a limit on the number of individuals that may participate in a project conducted under section 2355 of the Deficit Reduction Act of 1984, other than an

aggregate limit of not less than 324,000 for all sites.”

SEC. 522. EXTENSION OF MEDICARE COMMUNITY NURSING ORGANIZATION DEMONSTRATION PROJECT.

(a) **EXTENSION.**—Notwithstanding any other provision of law, any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-123) and conducted for the additional period of 2 years as provided for under section 4019 of BBA, shall be conducted for an additional period of 2 years.

(b) **REPORT.**—By not later than July 1, 2001, the Secretary of Health and Human Services shall submit to Congress a report describing the results of any demonstration project conducted under section 4079 of the Omnibus Budget Reconciliation Act of 1987, and describing the data collected by the Secretary relevant to the analysis of the results of such project, including the most recently available data through the end of 2000.

SEC. 523. MEDICARE+CHOICE COMPETITIVE BIDDING DEMONSTRATION PROJECT.

Section 4011 of BBA is amended—

(1) in subsection (a)—

(A) by striking “The Secretary” and inserting the following:

“(1) **IN GENERAL.**—Subject to the succeeding provisions of this subsection, the Secretary”; and

(B) by adding at the end the following:

“(2) **DELAY IN IMPLEMENTATION.**—The Secretary shall not implement the project until January 1, 2002, or, if later, 6 months after the date the Competitive Pricing Advisory Committee has submitted to Congress a report on each of the following topics:

“(A) **INCORPORATION OF ORIGINAL FEE-FOR-SERVICE MEDICARE PROGRAM INTO PROJECT.**—What changes would be required in the project to feasibly incorporate the original fee-for-service medicare program into the project in the areas in which the project is operational.

“(B) **QUALITY ACTIVITIES.**—The nature and extent of the quality reporting and monitoring activities that should be required of plans participating in the project, the estimated costs that plans will incur as a result of these requirements, and the current ability of the Health Care Financing Administration to collect and report comparable data, sufficient to support comparable quality reporting and monitoring activities with respect to beneficiaries enrolled in the original fee-for-service medicare program generally.

“(C) **RURAL PROJECT.**—The current viability of initiating a project site in a rural area, given the site specific budget neutrality requirements of the project, and insofar as the Committee decides that the addition of such a site is not viable, recommendations on how the project might best be changed so that such a site is viable.

“(D) **BENEFIT STRUCTURE.**—The nature and extent of the benefit structure that should be required of plans participating in the project, the rationale for such benefit structure, the potential implications that any benefit standardization requirement may have on the number of plan choices available to a beneficiary in an area designated under the project, the potential implications of requiring participating plans to offer variations on any standardized benefit package the committee might recommend, such that a beneficiary could elect to pay a higher percentage of out-of-pocket costs in exchange for a lower premium (or premium rebate as the case may be), and the potential implications of expanding the project (in conjunction with the potential inclusion of the original fee-for-service medicare program) to require medicare supplemental insurance plans operating in an area designated under the

project to offer a coordinated and comparable standardized benefit package.

“(3) **CONFORMING DEADLINES.**—Any dates specified in the succeeding provisions of this section shall be delayed (as specified by the Secretary) in a manner consistent with the delay effected under paragraph (2).”; and

(2) in subsection (c)(1)(A)—

(A) by striking “and” at the end of clause (i); and

(B) by adding at the end the following new clause:

“(iii) establish beneficiary premiums for plans offered in such area in a manner such that a beneficiary who enrolls in an offered plan with a below average price (as established by the competitive pricing methodology established for such area) may, at the plan's election, be offered a rebate of some or all of the medicare part B premium that such individual must otherwise pay in order to participate in a Medicare+Choice plan under the Medicare+Choice program; and”

SEC. 524. EXTENSION OF MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

Section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended by section 6135 of the Omnibus Budget Reconciliation Act of 1989, section 13557 of the Omnibus Budget Reconciliation Act of 1993, and section 4017 of BBA, is amended by striking “December 31, 2000” and inserting “December 31, 2001”.

SEC. 525. MEDICARE COORDINATED CARE DEMONSTRATION PROJECT.

Section 4016(e)(1)(A)(ii) of the Balanced Budget Act of 1997 (42 U.S.C. 1395b-1 note) is amended to read as follows:

“(ii) **CANCER HOSPITAL.**—In the case of the project described in subsection (b)(2)(C), the Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Insurance Trust Fund under title XVIII of the Social Security Act (42 U.S.C. 1395i, 1395t), in such proportions as the Secretary determines to be appropriate, of such funds as are necessary to cover costs of the project, including costs for information infrastructure and recurring costs of case management services, flexible benefits, and program management.”

TITLE VI—MEDICAID

SEC. 601. MAKING MEDICAID DSH TRANSITION RULE PERMANENT.

(a) **IN GENERAL.**—Section 4721(e) of the Balanced Budget Act of 1997 (42 U.S.C. 1396r-4 note) is amended—

(1) in the matter before paragraph (1), by striking “1923(g)(2)(A)” and “1396r-4(g)(2)(A)” and inserting “1923(g)(2)” and “1396r-4(g)(2)”, respectively;

(2) in paragraphs (1) and (2)—

(A) by striking “, and before July 1, 1999”; and

(B) by striking “in such section” and inserting “in subparagraph (A) of such section”; and

(3) by striking “and” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

“(3) effective for State fiscal years that begin on or after July 1, 1999, ‘or (b)(1)(B)’ were inserted in section 1923(g)(2)(B)(ii)(I) after ‘(b)(1)(A)’.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect as if included in the enactment of section 4721(e) of the Balanced Budget Act of 1997 (Public Law 105-33; 110 Stat. 514).

SEC. 602. INCREASE IN DSH ALLOTMENT FOR CERTAIN STATES AND THE DISTRICT OF COLUMBIA.

(a) **IN GENERAL.**—The table in section 1923(f)(2) (42 U.S.C. 1396r-4(f)(2)) is amended

under each of the columns for FY 00, FY 01, and FY 02—

(1) in the entry for the District of Columbia, by striking "23" and inserting "32";

(2) in the entry for Minnesota, by striking "16" and inserting "33";

(3) in the entry for New Mexico, by striking "5" and inserting "9"; and

(4) in the entry for Wyoming, by striking "0" and inserting ".100".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on October 1, 1999, and applies to expenditures made on or after such date.

SEC. 603. NEW PROSPECTIVE PAYMENT SYSTEM FOR FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (13)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "and" at the end; and

(C) by striking subparagraph (C); and

(2) by inserting after paragraph (14) the following new paragraph:

"(15) for payment for services described in clause (B) or (C) of section 1905(a)(2) under the plan in accordance with subsection (aa)."

(b) NEW PROSPECTIVE PAYMENT SYSTEM.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended by adding at the end the following:

"(aa) PAYMENT FOR SERVICES PROVIDED BY FEDERALLY-QUALIFIED HEALTH CENTERS AND RURAL HEALTH CLINICS.—

"(1) IN GENERAL.—Beginning with fiscal year 2000 and each succeeding fiscal year, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by a Federally-qualified health center and services described in section 1905(a)(2)(B) furnished by a rural health clinic in accordance with the provisions of this subsection.

"(2) FISCAL YEAR 2000.—Subject to paragraph (4), for services furnished during fiscal year 2000, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of the center or clinic of furnishing such services during fiscal year 1999 which are reasonable and related to the cost of furnishing such services, or based on such other tests of reasonableness as the Secretary prescribes in regulations under section 1833(a)(3), or, in the case of services to which such regulations do not apply, the same methodology used under section 1833(a)(3), adjusted to take into account any increase in the scope of such services furnished by the center or clinic during fiscal year 2000.

"(3) FISCAL YEAR 2001 AND SUCCEEDING FISCAL YEARS.—Subject to paragraph (4), for services furnished during fiscal year 2001 or a succeeding fiscal year, the State plan shall provide for payment for such services in an amount (calculated on a per visit basis) that is equal to the amount calculated for such services under this subsection for the preceding fiscal year—

"(A) increased by the percentage increase in the MEI (as defined in section 1842(i)(3)) applicable to primary care services (as defined in section 1842(i)(4)) for that fiscal year; and

"(B) adjusted to take into account any increase in the scope of such services furnished by the center or clinic during that fiscal year.

"(4) ESTABLISHMENT OF INITIAL YEAR PAYMENT AMOUNT FOR NEW CENTERS OR CLINICS.—In any case in which an entity first qualifies as a Federally-qualified health center or

rural health clinic after fiscal year 1999, the State plan shall provide for payment for services described in section 1905(a)(2)(C) furnished by the center or services described in section 1905(a)(2)(B) furnished by the clinic in the first fiscal year in which the center or clinic so qualifies in an amount (calculated on a per visit basis) that is equal to 100 percent of the costs of furnishing such services during such fiscal year in accordance with the regulations and methodology referred to in paragraph (2). For each fiscal year following the fiscal year in which the entity first qualifies as a Federally-qualified health center or rural health clinic, the State plan shall provide for the payment amount to be calculated in accordance with paragraph (3).

"(5) ADMINISTRATION IN THE CASE OF MANAGED CARE.—In the case of services furnished by a Federally-qualified health center or rural health clinic pursuant to a contract between the center or clinic and a managed care entity (as defined in section 1932(a)(1)(B)), the State plan shall provide for payment to the center or clinic (at least quarterly) by the State of a supplemental payment equal to the amount (if any) by which the amount determined under paragraphs (2), (3), and (4) of this subsection exceeds the amount of the payments provided under the contract.

"(6) ALTERNATIVE PAYMENT METHODOLOGIES.—Notwithstanding any other provision of this section, the State plan may provide for payment in any fiscal year to a Federally-qualified health center for services described in section 1905(a)(2)(C) or to a rural health clinic for services described in section 1905(a)(2)(B) in an amount which is determined under an alternative payment methodology that—

"(A) is agreed to by the State and the center or clinic; and

"(B) results in payment to the center or clinic of an amount which is at least equal to the amount otherwise required to be paid to the center or clinic under this section."

(c) CONFORMING AMENDMENTS.—

(1) Section 4712 of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat. 508) is amended by striking subsection (c).

(2) Section 1915(b) of the Social Security Act (42 U.S.C. 1396n(b)) is amended by striking "1902(a)(13)(E)" and inserting "1902(a)(15), 1902(aa)."

(d) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1999, and apply to services furnished on or after such date.

SEC. 604. PARITY IN REIMBURSEMENT FOR CERTAIN UTILIZATION AND QUALITY CONTROL SERVICES.

(a) IN GENERAL.—Section 1903(a)(3)(C)(i) (42 U.S.C. 1396b(a)(3)(C)(i)) is amended—

(1) by inserting "(other than a review described in clause (ii))" after "quality review"; and

(2) by inserting "(or under a contract with the State that sets forth standards of performance equivalent to those under section 1902(d))" before the semicolon.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to expenditures made on and after the date of the enactment of this Act.

TITLE VII—STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

SEC. 701. STABILIZING THE SCHIP ALLOTMENT FORMULA.

(a) IN GENERAL.—Section 2104(b) (42 U.S.C. 1397dd(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking "through 2000" and inserting "and 1999"; and

(B) in clause (ii), by striking "2001" and inserting "2000";

(2) by amending paragraph (4) to read as follows:

"(4) FLOORS AND CEILINGS IN STATE ALLOTMENTS.—

"(A) IN GENERAL.—The proportion of the allotment under this subsection for a subsection (b) State (as defined in subparagraph (D)) for fiscal year 2000 and each fiscal year thereafter shall be subject to the following floors and ceilings:

"(i) FLOOR OF \$2,000,000.—A floor equal to \$2,000,000 divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

"(ii) ANNUAL FLOOR OF 10 PERCENT BELOW PRECEDING FISCAL YEAR'S PROPORTION.—A floor of 90 percent of the proportion for the State for the preceding fiscal year.

"(iii) CUMULATIVE FLOOR OF 30 PERCENT BELOW THE FY 1999 PROPORTION.—A floor of 70 percent of the proportion for the State for fiscal year 1999.

"(iv) CUMULATIVE CEILING OF 45 PERCENT ABOVE FY 1999 PROPORTION.—A ceiling of 145 percent of the proportion for the State for fiscal year 1999.

"(B) RECONCILIATION.—

"(i) ELIMINATION OF ANY DEFICIT BY ESTABLISHING A PERCENTAGE INCREASE CEILING FOR STATES WITH HIGHEST ANNUAL PERCENTAGE INCREASES.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States exceeding 1.0, the Secretary shall establish a maximum percentage increase in such proportions for all subsection (b) States for the fiscal year in a manner so that such sum equals 1.0.

"(ii) ALLOCATION OF SURPLUS THROUGH PRO RATA INCREASE.—To the extent that the application of subparagraph (A) would result in the sum of the proportions of the allotments for all subsection (b) States being less than 1.0, the proportions of such allotments (as computed before the application of floors under clauses (i), (ii), and (iii) of subparagraph (A)) for all subsection (b) States shall be increased in a pro rata manner (but not to exceed the ceiling established under subparagraph (A)(iv)) so that (after the application of such floors and ceiling) such sum equals 1.0.

"(C) CONSTRUCTION.—This paragraph shall not be construed as applying to (or taking into account) amounts of allotments redistributed under subsection (f).

"(D) DEFINITIONS.—In this paragraph:

"(i) PROPORTION OF ALLOTMENT.—The term 'proportion' means, with respect to the allotment of a subsection (b) State for a fiscal year, the amount of the allotment of such State under this subsection for the fiscal year divided by the total of the amount available under this subsection for all such allotments for the fiscal year.

"(ii) SUBSECTION (b) STATE.—The term 'subsection (b) State' means one of the 50 States or the District of Columbia."

(3) in paragraph (2)(B), by striking "the fiscal year" and inserting "the calendar year in which such fiscal year begins"; and

(4) in paragraph (3)(B), by striking "the fiscal year involved" and inserting "the calendar year in which such fiscal year begins".

(b) EFFECTIVE DATE.—The amendments made by this section apply to allotments determined under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) for fiscal year 2000 and each fiscal year thereafter.

SEC. 702. INCREASED ALLOTMENTS FOR TERRITORIES UNDER THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

Section 2104(c)(4)(B) (42 U.S.C. 1397dd(c)(4)(B)) is amended by inserting "\$34,200,000 for each of fiscal years 2000 and 2001, \$25,200,000 for each of fiscal years 2002 through 2004, \$32,400,000 for each of fiscal years 2005 and 2006, and \$40,000,000 for fiscal year 2007" before the period.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 3075, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 2 years ago Congress embarked on a monumental task to strengthen Medicare for the 39 million Americans that depend on the program every day for their health care needs. We made the tough decisions because it was the right thing to do, and we did it on a bipartisan basis, in conjunction with the administration.

Today, as a result of those decisions, America's elderly and disabled have more health care choices than ever before. We increased preventative benefits to detect and treat conditions early, which means less time in a hospital or nursing facility and more time at home; we passed 65 new steps to crack down on fraud and abuse that rob seniors of vital care; and on a bipartisan basis, we set Medicare on the right financial footing, extending the life of the program for future beneficiaries.

□ 1045

In fact, earlier this year, the Medicare trustees reported that the Medicare program is now solvent until the year 2015. With any legislation of this size, however, adjustments are always necessary and even with the technocratic jargon of new prospective payment systems, DSH adjustments and RUG fixes, we have not lost sight of those that we help, our Nation's elderly and disabled.

Under our proposal today, families will not have to drive to the next county to visit the emergency room. Seniors will have the flexibility to enroll in new plans to get the comprehensive benefits that they need and want, and that is what this bill is all about.

For over 30 years, Medicare has been there for millions of seniors, and as we enter the next millennium the Medicare program will be stronger than ever, thanks to our bipartisan efforts.

Two years ago, the President joined us in enacting this landmark legislation, and I now ask him to join us in again building upon our historic success by implementing those provisions that Congress intended for the administration when it first passed the Balanced Budget Act.

Congress and the White House must work together for the good of seniors

and the disabled who depend on Medicare.

I commend the Subcommittee on Health, the gentleman from California (Mr. THOMAS), the Committee on Commerce, the gentleman from Virginia (Mr. BLILEY) and members of both the Committee on Ways and Means and the Committee on Commerce for their tireless efforts to ensure that quality medical treatment is there when seniors need it.

I urge my colleagues to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my friend the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, spoke a great deal about bipartisanship in 1997 and the need for the Congress and the White House to work together.

I agree with him, but can we not start with Republicans and Democrats in the House working together? That would be a good beginning. It is almost insulting to take a bill of this importance and then put it on the suspension calendar. This bipartisanship does not start with the Republican leaders and the President of the United States. If it is going to work, it should start right here, with Members of this House having mutual respect for each other, with important bills going through committee, with Members being given the opportunity to amend them, and if the amendment is not worth the majority of the votes then the amendment is defeated. That is how democracy works. That is how this is supposed to work.

This suspension calendar is supposed to be for noncontroversial legislation. It is supposed to be that we already agreed on something; that there is no need for amendments, no need for debate.

We are restricted to 20 minutes on each side, but what we are talking about is our teaching hospitals. We are talking about making a mistake in 1997 and trying to remedy it by bringing it to the floor so that we could remedy it. No one can deny that lowering the price for prescription drugs for seniors is a very, very important thing. We tried to do this in our committee and we were unable to do it, and this would be the perfect time to find out what the people, Republican and Democrat, liberals and conservatives, would want to do.

We are not being given that opportunity, and the gentleman is talking about bipartisan and working with the President of the United States when he is not even working with his Democratic colleagues because we are in the minority.

Indeed, the rule that we had in the Committee on Ways and Means was a gag rule to make certain that none of our amendments would ever get an opportunity to pass.

I do hope that somewhere along the line, before we adjourn, that we start

allowing each other to set the standard for bipartisanship, that we start talking with each other and we do not find just a hand of Republicans, because they have the leadership going in the back room and deciding what is good for the whole House and because they have the votes, putting it on the suspension calendar where Members cannot work their will, and then when it is all over and they find out that they have a train wreck on their hands they are going to ask the President of the United States to work with them. They did not ask the President to work with them when they went into the Social Security trust funds. They did not ask the President to work with them when they came up with a \$792 billion tax cut, but when they work themselves into a corner and they cannot get out of the box, then they have to call for bipartisanship.

Bipartisanship starts now and it starts today, and it should not be put in a bill like this on the suspension calendar.

Mr. Speaker, I ask unanimous consent that the balance of my time be divided equally between the gentleman from California (Mr. STARK) for the Committee on Ways and Means, and the gentleman from Ohio (Mr. Brown) for the Committee on Commerce.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce.

(Mr. BLILEY asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. BLILEY. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me this time.

Mr. Speaker, I rise today in support of H.R. 3075, the Medicare, Medicaid and S-CHIP Balanced Budget Refinement Act of 1999.

Two years ago, we made some very important changes to the Medicare and Medicaid programs when we passed the Balanced Budget Act. The Medicare program was facing bankruptcy. The changes we made are keeping this vital program for our Nation's seniors alive.

In addition, we created the State Children's Health Insurance Program, otherwise known as S-CHIP, to provide health coverage for millions of low-income, uninsured American children. It was historic legislation and I am very proud of it.

Today we are considering a bill that will refine some of the policies put into effect by BBA. In the two years since we passed the BBA, we have heard that some of the changes we made went a little too far and some health providers have felt some hardship. Today we are going back to make a few corrections.

Under our bill, the seniors will receive the health care they deserve. We

put needed dollars into the system to ensure patient access and care to hospitals, skilled nursing facilities and other care.

I want to highlight some of the more important pieces of this bill.

First, we provide additional funding for hospital outpatient departments. This includes more funds for small rural hospitals and for patients who receive cancer treatments, those most in need of assistance. We cannot allow these hospitals to close their doors.

Additionally, this bill provides an additional \$3.5 billion for the Medicare+Choice program. This vital program gives seniors the opportunity to choose a private health plan rather than the traditional Medicare program.

I am also proud to have strengthened this bill by adding \$200 million to pay for immunosuppressive drugs. Medicare currently only covers these drugs for 36 months. This bill takes a first step at addressing that issue and allows us to provide for coverage for needy organ transplant patients. Access to these drugs can literally make the difference between life and death.

We also help our Nation's community health centers and rural health clinics by ensuring they receive the funding they need to provide care to millions of low income and uninsured Americans. Our bill authorizes States to create new payment systems for community health centers and rural clinics.

Finally, our bill puts more funds into the S-CHIP program. We created the S-CHIP program in 1997 to provide health insurance to our Nation's children, and it has been an enormous success.

Mr. Speaker, I am proud of the work the committee has put into this product. It is a good bill and deserves the support of all of our colleagues.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
Washington, DC.*

DEAR BILL: I am writing regarding H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. As you know, the Committee on Commerce is an additional committee of jurisdiction for the bill, and I understand that the version of that bill will be considered under the suspension calendar which will contain a number of Medicaid provisions which fall within my Committee's exclusive jurisdiction.

However, in light of your willingness to work with me on those provisions within the Commerce Committee's jurisdiction, I will not exercise the Committee on Commerce's right to act on the legislation. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 3075. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or similar legislation. I ask that you support our request in this regard.

I ask that you include a copy of this letter and your response in the RECORD during consideration of the bill on the House floor. Thank you for your consideration and assistance. I remain,

Sincerely,

TOM BLILEY, *Chairman.*

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. McDERMOTT).

(Mr. McDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, there will not be half a dozen votes against this pathetic piece of legislation. I sat on the Medicare Commission for a year and in the committee for 10 months, and we never had a proposal for a bipartisan overhaul, which everybody knows we should do. We did not even consider the President's proposal to extend from 65 down to 55, at no cost to the government, health insurance for people in the workforce. Now, if one wants to have access, that is the best way to get it.

We had nothing in here to talk about whether or not we were going to extend the life of Medicare. The President offered 15 percent of the surplus and said let us extend the life. We never had a discussion about that in the committee.

Finally, and worst of all, there is not one single thing done for senior citizens on their prescription drugs.

Now, everybody sitting on this floor is going to go home to their district and they are going to explain to their constituents why it is they have a drug benefit. We all have one through our health plan, that if we have a prescription we pay \$12. I pay \$12. Everybody pays \$12 in this body. But my mother and my aunts and my uncles and all my constituents and the constituents of all of us pay retail. Now that is a disgrace.

This piece of legislation is worthless, but we have no choice. They gave us no choice.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of H.R. 3075, but I rise with a great deal of disappointment that this bill falls far, far short of what this House should do. Today we are not considering prescription drug coverage when 75 percent of our elderly have inadequate or non-existent prescription drug coverage. We are not modernizing Medicare. We are not repealing therapy caps, caps which have harmed thousands of our elderly.

Too many seniors are spending into poverty to pay for prescription drugs. Yet, all the majority is doing is tinkering at the edges of the Medicare payment system. When is this Congress going to get serious about modernizing Medicare? When is this Congress going to take action based on the best interests of Medicare enrollees? When is this Congress going to get serious about the Patients' Bill of Rights? And when is this Congress going to provide prescription drugs for this Nation's elderly?

If Republicans remain in the majority, Mr. Speaker, the answer unfortunately is do not hold your breath.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentleman from Florida (Mr. BILI-

RAKIS), chairman of the Subcommittee on Health of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, in early 1997, a Medicare trustees' annual report confirmed that the Medicare hospital insurance trust fund would exhaust its resources faster than previously anticipated. The part B trust fund was in similar straits.

Its board of trustees issued its own report warning that prompt, effective and decisive action is necessary. And so the Congress addressed this problem with BBA 1997, as we so fondly refer to it.

BBA 1997 was the Balanced Budget Act of 1997. It saved Medicare. It did something that the prior Congresses had not done. It saved Medicare for an additional 14 years until the year 2015.

It represented the most comprehensive Medicare reform since the program's establishment in 1965. It made many changes, expanding Medicare's coverage of preventive benefits. It hadn't been done before. Providing additional choices for seniors through the Medicare+ program; implementing new programs to combat fraud, waste and abuse; and establishing new initiatives and modernizing and strengthening the Medicare speed for service payment system.

□ 1100

But it also established new payment provisions, bold steps to control Medicare spending by changing the financial incentives inherent in payment methods that, prior to the BBA, did not reward providers for delivering care efficiently.

Unfortunately, as quite often happens, there are unintended consequences; and, consequently, a lot of the reimbursements we have determined now have not been adequate. So we tried to address this with the BBA fixes.

I would say to this Congress through the Speaker that, as far as the Committee on Commerce was concerned, I cannot speak for the Committee on Ways and Means, although I am sure the same thing happened there, as far as the Committee on Commerce is concerned, the majority staff and the minority staffs worked many, many hours over many, many days, sitting with HCFA, I might add, trying to work things out. Things seem to have been going along really well. Many of the ideas that the minority had are incorporated in this particular BBA 1997 fix.

I ask for support for this legislation.

Mr. STARK. Mr. Speaker, I yield myself 30 seconds. I do so just to challenge my Republican colleagues who are afraid today that they would have to vote on a drug benefit, but to remind the public that the gentleman from Pennsylvania (Mr. ENGLISH), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Arizona (Mr. HAYWORTH), and the gentleman from Florida (Mr. SHAW), who are all sitting here voted to deny seniors in

their districts a discount on prescription drugs at no cost to the Federal Government.

I hope that they will explain to the seniors whose benefits are being reduced why they did that and why they are afraid to see it come up today and vote for it or against it in an up forward manner.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. DINGELL), ranking member of the Committee on Commerce.

(Mr. DINGELL asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. DINGELL. Mr. Speaker, what are we doing here in such haste and why? There has been no consultation, no attention to the regular and orderly process. Most Members have not got the vaguest idea what we are doing here.

This is a subject which would enable us to function in an intelligent fashion, using the ordinary processes of the House to discuss, to have an opportunity to come to agreement, and to do something which can and should be bipartisan in a bipartisan fashion.

The bill, on the other hand, is rushed to the floor without any particular attention, without any consultation, not addressing the problems, and, interestingly enough, if we look at it, we find that the bill is not paid for, probably is going to jeopardize Medicare and Social Security and their trust funds, and it is going to ignore the opportunity to do many things which we could have done.

It is not going to pay for most of the benefits, although most Members here are probably going to vote for it, including myself, understanding full well that we have not done the job that we should, not knowing what should be done, having disregarded the regular and orderly process of the House.

More importantly, we are going to proceed to move forward, ignoring the opportunity to craft a bill of which we could all, first of all, know what we are doing, and, second of all, a bill in which we could genuinely be proud.

We also have an opportunity here to craft a piece of legislation which is not going to hold in it a large number of surprises and perhaps even poison pills. The result of what we are doing today is bad process and is going to probably result in imperfect legislation. It holds within its bounds sure surprises and very little opportunity to address really important problems like the balanced budget and protecting and preserving Medicare and Social Security.

Mr. Speaker, I am pleased to see that the Republican leadership is finally getting down to the business of rectifying some of the consequences of the Balanced Budget Act. Like many others here, I am very concerned about its effects on beneficiaries and providers.

Regrettably, I am also concerned today by the process. We are voting on a bill that can be and should be bipartisan . . . that is the

product of partisan efforts. This is a matter of great importance to the 38 million Americans covered by Medicare, yet we have had less than one day to examine this bill. This is a matter that can and should be the subject of more careful and thoughtful but still expeditious process.

Our Republican friends made a great deal about the need to protect the Social Security surplus, but the bill they are offering is not paid for. Preliminary estimates show this bill to cost almost \$12 billion—unpaid for, the bill will shorten the life of the Medicare Trust Fund and increase premiums to seniors. Apparently, fiscal responsibility only suits the Republican party when it is convenient.

I am also concerned that we have not done enough. The relief for Medicare patients who need physical therapy is inadequate. The relief for Medicare patients in rural or cancer hospitals is not adequate. And, from what I understand, the Hospital Outpatient policy may be unworkable.

A number of Democrats sent a letter to the Speaker yesterday, concerned that we have not done enough to provide relief, asking for the opportunity to offer a paid-for amendment to this bill. Our request was denied.

This bill leaves out what is perhaps the most important relief that Congress could offer to Medicare beneficiaries—relief from the high cost of prescription drugs. Seniors should not have to choose between food and needed medicines. Yet, the Speaker would not let us even offer our amendment that would have made prescription drugs more affordable for seniors.

This bill provides much needed relief for the Community Health Centers which are critical to providing care to underserved areas. But I am dismayed to see that the bill could not find the money to address the needs of low-income women with breast cancer. But the Republican bill is able to provide more than one billion dollars to HMOs—the same HMOs that HCFA, the IG, and the GAO have noted are already being overpaid.

Mr. Speaker, I have a great number of concerns about this bill. Not only with what is in it, but what is not. I am also concerned about the process and the fact this bill is not paid for. The bill is a small step in the direction of ensuring that seniors continue to have access to the same high quality care in Medicare that they have come to depend on, but there are clearly areas that need more help.

HOUSE OF REPRESENTATIVES,

Washington, DC, November 4, 1999.

Hon. DENNIS HASTERT,

Speaker of the U.S. House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: We are writing to ask that you not bring the Medicare Balanced Budget Act legislation (HR 3075 as amended in negotiations with Commerce Committee Republicans) to the floor under suspension of the rules, but instead provide a rule permitting Democratic amendments and a motion to recommit. Because Democrats were not included in the negotiations between the Ways and Means and Commerce Committee Republican members, it is particularly important that we be offered the opportunity for floor amendments.

While the Republican bills that have been introduced provide a great deal of needed relief, we believe that—

(1) some additional relief to providers,
(2) some beneficiary improvements (in particular help with the high cost of pharmaceuticals), and

(3) some alternative policies are desperately needed.

The amendments we propose would provide an additional \$2.4 billion in paid-for relief, with some going to beneficiaries in lower pharmaceutical prices and other program improvements. Our amendments would also eliminate several policies in the Republican bill which the Administration has identified as unworkable or which would hurt Medicare beneficiaries.

As fiscally responsible Democrats, we are concerned that the Republican bill is not paid for, and we urge you to find a way to pay for it, rather than further spending Social Security surpluses. For example, because it is not currently paid for, the Ways and Means bill (HR 3075) shortens the solvency of the Medicare Part A Trust Fund by at least a year, and increases Part B premiums for seniors.

Therefore, to avoid this problem, we pay for the additional relief offered by our amendments. Thus we do not hurt Medicare's solvency. The \$2.4 billion in relief over five years is paid for by \$2.4 billion in Medicare savings from the President's budget proposal of last January. These savings come from Medicare anti-fraud, waste, and abuse proposals.

PROVIDING NEEDED ADDITIONAL RELIEF

The \$2.4 billion provides important, much needed additional relief to: beneficiaries to meet the cost of fighting cancer and the high costs of pharmaceutical insurance,¹ teaching hospitals, safety net hospitals, which have the lowest overall operating margins, rural hospitals, which have the lowest Medicare margins, skilled nursing homes, home health agencies which are serving the sickest patients, a more rational rehabilitation cap program that will help our most severely disabled stroke patients and amputees, help for hospice agencies facing sky-rocketing pharmaceutical costs for end-of-life painkillers, and the Medicaid and Children's Health Insurance Program, to help the providers serving the low income and to help Puerto Rico and the Possessions with more adequate payment rates.

This additional relief will further ensure that Medicare beneficiaries are buffered from the cuts in the 1997 BBA and will allow Medicare beneficiaries to continue to receive high quality care.

The attached memo describes these amendments in more detail.

HELP SENIORS WITH THE HIGH COST OF PHARMACEUTICALS

We believe we need to help all Medicare beneficiaries with a prescription drug insurance benefit, but that is a larger issue that cannot be addressed in this limited BBA corrections legislation. We hope, Mr. Speaker, that you will make this a priority issue for the Second Session of this Congress.

In the meantime, we do believe that this bill gives us the one opportunity this year to help seniors with the exorbitant cost of prescription drugs. We propose an amendment which was offered in the Ways and Means Committee by Rep. Karen Thurman (and supported by all the Democratic members of the Committee) that makes the Allen-Turner-Waxman-Berry pharmaceutical discount bill (HR 664) germane to Medicare. Basically, the amendment says that if a drug manufacturer wants to sell pharmaceuticals to a hospital participating in Medicare, it must also

¹We assume that the bill the Majority brings to the floor will include an expansion of Medicare's coverage of immuno-suppressive drugs, so that transplant patients do not suffer organ rejection. If this provision is not included, we ask permission to include it and pay for it with additional antifraud and abuse provisions.

make available to pharmacies for sale to seniors drugs at the best available price for which they offer that drug. By some estimates, this type of program could lower drug costs to seniors by as much as 40%.

If we can't pass a major Medicare reform bill this fall, we can at least give seniors a chance for the discounts available to large buyers.

PREVENTING BAD POLICIES

If the Majority bill includes certain provisions, we ask that the rule governing debate permits us to strike those anti-beneficiary and anti-consumer provisions:

Specifically, we are concerned that the Administration has warned that the hospital out-patient department (HOPD) provisions of the Ways and Means bill are so complicated that they will delay the start of HOPD Prospective Payment (PPS) by at least a year. Such a delay in the PPS will cost beneficiaries about \$1.4 billion, with patients' share of total HOPD payments running about 50%. We would move to strike the House HOPD provisions in favor of the Senate's more administrable proposals, but keep the amount of relief to hospitals and patients at the House level.

Second, if the Majority bill includes the Commerce Republicans' provision giving "deemed status" to HMOs, we would strike that provision. An overwhelming number of House members have just voted in favor of higher quality in managed care plans. Therefore, we find it incredible that the majority may be proposing an amendment to the BBA which would weaken our ability to ensure quality by turning over approval of these plans to participate in Medicare to private groups which are often dominated by the very industry they are supposed to be regulating. If such "deemed status" language is included, we will seek to strike it in order to protect beneficiaries.

Third, as mentioned above, we propose to strike the unworkable \$1500 limit on rehabilitation caps for 2 years while the Secretary develops a rational therapy payment plan. This is the same approach as taken by the Senate Finance Committee.

In conclusion, our beneficiaries and providers need the improvements made by the Democratic amendment. We urge you to make it in order. Thank you for your consideration.

Sincerely,

Charles B. Rangel and others.

Issue Area	In addition to HR 3075, a \$2.4 billion paid-for package (dollars expressed as additions to costs in HR 3075)
Hospitals	Freeze indirect medical education cut for 1 year more than HR 3075 (\$0.2). Freeze disproportionate share hospital cuts for 1 year more than HR 3075 (\$0). Carve out DSH payments from payments to M+C plans. Moves about \$1 billion per year to the nation's safety net hospitals; is not in HR 3075 (\$0).
Rural Hospitals	Tanner Amendment to protect rural and cancer hospitals against outpatient department PPS cuts (HR 3075 phases in cuts to these hospitals; still leaving huge payment reductions) (\$0.2).
\$1,500 Therapy Caps	Strike HR 3075 limits by suspending caps for 2 years while a new, more rational system is developed (net \$0).
Community Health Centers & Rural CHCs	Establish a PPS system which protects CHCs against State Medicaid cuts (\$0.2).
Nursing Homes	Raise HR 3075's payment to high acuity cases from 10% to 30% (\$0.1). Raise HR 3075's nursing home inflation adjustment from 0.8% in FY01 to 1% (\$0.1) and authorize extra payments for his cost of living in Hawaii and Alaska.
Physicians	Study of why payment rates in certain States and Puerto Rico are low.
Home Health	Provide \$250 million "outlier" pool for home health agencies that treat tough cases (\$0.3) HR 1917, by Rep. Jim McGovern and 102 cosponsors.
Hospice	Eliminate 1% cut in FY 01 and 02 (\$0.2)
Medicaid	Help for Medicaid DSH formula errors in NM, DC, MN, and WY (\$0.2). Permanent fix for CA Medicaid DSH problem \$0.

Issue Area	In addition to HR 3075, a \$2.4 billion paid-for package (dollars expressed as additions to costs in HR 3075)
CHIPS	Help families not lose Medicaid coverage as a result of delinking of welfare and Medicaid eligibility (\$0.2). Increase CHIPS amount for Possessions and provide technical fix to CHIPS formula (\$0.1).
Beneficiary Improvements	Immuno-suppressive drugs, cover without a time limit (\$0.3). Allow States to require M+C plans to cover certain benefits (like MA used to do with Rx) (\$0). Allow people abandoned by M+C plans to buy a medi-gap policy which covers Rx (\$0). Coverage of cancer treatment for low-income women (\$0.3) HR 1070, by Rep. Eshoo and Lazio and 271 cosponsors.
Pay-fors	3 Medicare items from President's budget: mental health partial hospitalization reform, Medicare Secondary Payer data match, and pay for outpatient drugs at 83% of average wholesale price. (\$4.4).

Mr. THOMAS. Mr. Speaker, we appreciate the support of the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Subcommittee on Health who, without all of her hours of work, this bill would not have been possible.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I, as many others in this body, have spent hours and hours sitting in the nursing homes, the hospitals, the home health agencies of my district, studying the problems that Medicare has caused them. The goal of this bill is to save those community-based providers in the small towns of America, in the small cities.

Frankly, I think it is utterly irresponsible for my colleagues on the other side of the aisle to try to focus on an expansion of Medicare benefits, which we believe needs to be done, before we have saved the system.

This bill is about fixing Medicare. We fixed it in 1997. We slowed an 11 percent rate of growth in Medicare to 5.5 percent. Unfortunately, because our estimates were off, and the administration has chosen to implement that bill in a harsh fashion, we must come back today and add money back in.

I am very proud, and I commend the gentleman from California (Mr. THOMAS) and the staff for the detailed way they have added money back in at critical points and provided much greater flexibility so our institutions can evolve to offer the quality care our seniors need throughout America, through this legislation.

I am proud because it retains our commitment to slowing the rate of growth in Medicare so it will be sustainable. But it puts the money back in that our community providers desperately need.

I am very proud of the detailed way in which it addresses the problems in the nursing homes and in the home health agencies and the hospitals, not just so that people will be there to give the care, but so that the medically complex patient, the person whose costs are very high, whose medical

problems are very complex will get the care they need.

I regret to say the administration provided no detailed proposals, and the Democrats on the committee provided no detailed proposals until the day of the mark-up. Only the chairman has provided a comprehensive approach. So while there are other processes that would be fruitful, the product we have before us is outstanding. I urge my colleagues to support it.

I want to thank Chairman THOMAS and the Health Subcommittee staff for their hard work on bringing this legislation to the floor.

My work on this issue started back in January when I visited all the hospitals in my district and several nursing homes and home health agencies.

The resounding message from those who provide the life-saving health services throughout my district was that the Balanced Budget Act had reached way beyond congressional intent and was threatening the very existence of our efficient, high quality community health care providers.

Most importantly, this legislation will help ensure that critically ill patients get access to Medicare services and that our health care providers will continue to be able to serve the communities that support them.

This legislation today is in direct response to the concerns I heard from community-based nursing homes in my district that are having a hard time caring for medically complex patients and managing the increased administrative costs of the new prospective payment system. I spent long hours talking with Patricia Walden and Carol Barno at the Southington Care Center, Sister Deborah and Sister Honorata at Monsignor Bojnowski Manor, and John Horstman at Geer Nursing and Rehabilitation Center.

This legislation also responds to the concerns that I hear from teaching hospitals in my district, Larry Tanner at New Britain General Hospital, Dr. Peter Dekkers at the University of Connecticut Health Center and David D'Eramo at St. Francis Hospital. It is also in response to small community providers, Rosanne Griswold at Charlotte Hungerford Hospital, Tom Kennedy at Bristol Hospital and Michael Gallacher at Sharon Hospital.

Finally, this legislation addresses the concerns of the 6th district's caring, efficient home health providers, like Ellen Rothberg at VNA Health Care, MaryJane Corn at the VNA of Central Connecticut and Anne Dolson at the Greater Bristol VNA. These providers helped me understand the enormous complexity of the interim payment system and the difficulty they were having in providing services to the sickest seniors.

In 1997 Congress adopted the most significant reforms to Medicare since the program began. The reforms were absolutely necessary because the program was galloping toward bankruptcy. Already in 1997, it was paying out more for services than it collected in payroll taxes and premiums. Medicare spending was exploding, especially in the areas of home health and skilled nursing facility costs, and as it reached the unsustainable level of 11% growth per year, the BBA reforms were adopted to cut this growth rate in half—from 11% to 5.5%; a modest and responsible goal.

Today's legislation is essential because the impact of the BBA—both legislative and because of the way the Administration has chose

to implement it—is much more significant than Congress intended. The BBA was projected to save \$106 billion over 5 years. The real savings that will be achieved are about \$100 billion above that. While the goal was to slow the rate of growth to 5.5%, growth has dropped to less than 2% per year, though the number of seniors and of frail elderly continues to grow.

Mr. Speaker, this bill makes the critical adjustments necessary to assure the ability of our community hospitals, home health care agencies, and nursing homes to provide the high quality care Medicare is required to provide to our senior citizens. Equally important, this bill assures the care needed by critically ill seniors with complex, high-cost medical problems.

I urge support of this important legislation.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Connecticut (Mrs. JOHNSON) did not respond to the question of why she voted to deny seniors a medical drug benefit, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, 2 years ago, the Medicare Trust Fund was projected to become insolvent by year 2001. To address this problem, as we were told, Congress passed the Balanced Budget Act of 1997.

In March of this year, it was estimated that the Medicare Trust Fund would be solvent until year 2015. This dramatic improvement is largely due to changes in reimbursements paid to health care providers made by the BBA.

While the BBA can be credited with increasing the solvency of the trust fund, providers have expressed concern that the cuts had hurt that ability to care for patients. We have all heard about stroke victims unable to get rehabilitation services they need. We have all heard about hospitals unable to find nursing homes to care for ventilator patients. Some of the most vulnerable patients in the Medicare program have been the hardest hit by these changes.

The legislation before us today takes important steps to address these problems. It provides more money for therapy services. It increases reimbursement to nursing homes who care for medically complex patients. It also includes funds for hospitals, home health agencies, and Medicare health maintenance organizations. These changes help ensure that the Medicare program will continue to meet the commitment and provide quality care to our Nation's seniors.

The Medicare Refinements Act before us today maintains the delicate balance between the fiscal concerns of the providers and the long-term stability of the Medicare program for generations to come.

Mr. Speaker, I urge all my colleagues to support this necessary legislation.

Mr. BROWN of Ohio. Mr. Speaker, may I inquire how much time remains for each of us.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Ohio (Mr. BROWN) has 5½ minutes remain-

ing. The gentleman from California (Mr. STARK) has 4½ minutes remaining. The gentleman from California (Mr. THOMAS) has 10 minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. BALDACCI).

(Mr. BALDACCI asked and was given permission to revise and extend his remarks.)

Mr. BALDACCI. Mr. Speaker, I thank the gentleman from Ohio for this courtesy. I rise in support of the legislation as a beginning to build on down the road for future changes.

Mr. Speaker, I support this very important legislation which will correct some of the unintended consequences of the Balanced Budget Act of 1997 cuts on Medicare reimbursements. Along with the assurances from the President that further alterations can be made administratively, I hope that health care providers, particular those in rural areas such as my own, will be afforded relief so that services to seniors will not be diminished. With the implementation of BBA Medicare cuts, Maine hospitals alone will lose \$338 million over 5 years. This legislation provides us with the first step towards restoring some of these deep cuts.

Implementation of the BBA and a slowing in the growth in spending by Medicare has ensured that the solvency of the Medicare Trust Fund is extended another seven years, until 2015. In fact, there was no growth in spending in the Medicare program for the first quarter of this year. This is good news and provides us with the flexibility to improve some of the harmful provisions which threaten care to seniors.

Rural areas, in particular, have suffered under the BBA. As a member of the Rural Health Care Coalition, I was very pleased to see portions of the Triple A bill, H.R. 1344, included in H.R. 3075. I thank Chairman THOMAS for his attention to the special needs of rural areas. A good portion of this bill is dedicated to allowing for more flexibility for rural health institutions. These facilities are the backbone of care in Maine, and their survival is of primary importance to me.

One area which has been of particular concern to me has been the very harmful effects of the BBA on the home health industry. In Maine, agencies are under significant financial stress. The burden of my home health agencies have been asked to bear is extreme, especially when considering that the losses are spread among only 40 providers in the state. On a nationwide scale, the Department of Health and Human Services recently released a study which shows that the very sickest of seniors are having difficulty accessing home health care. I am encouraged by the direction this legislation takes to address the most harmful BBA provisions regarding home health care.

Another rural concern is the future implementation of the outpatient Prospective Payment System. By HCFA's own admission in the May 7 published rule, rural hospitals will take the biggest hit in reimbursements from the outpatient PPS. The total reduction in the first year for all institutions will be \$900 million, or a 5.7% average reduction per facility. The outlier adjustment is a good beginning to addressing this issue, though much more work must be done to ensure hospitals can meet the burdens of such cuts.

One final issue I would like to touch on is the reimbursement for hospitals training physicians, especially in rural areas, where there remain significant physician shortages. I am pleased to see that a portion of my GME technical corrections legislation, H.R. 1222, was included in the BBA Refinement Act. In particular, the adjustments allowed for upwards to 30% growth in resident limits and the inclusion of rural training tracks recognize the need for increased flexibility for rural areas to address physicians shortages are extremely positive steps. However, there exists a significant provision of H.R. 1222 which have been left out of this bill. Numerous hospitals have had their residency limits lowered because the BBA fails to count all of a programs' residents. For example, a resident who was on medical leave in 1996 or who was training in another facility cannot be counted because he or she was not physically "in the hospital." Thus, many hospitals are facing an artificially low cap that does not reflect the true number of residents enrolled. This provision is contained in the Senate version of the BBA corrections bill, and I hope that conferees will adopt the entire language of the bill H.R. 1222 in the conference report.

Finally, I must voice my concern with one provision of H.R. 3075 which would alter the Direct GME payments. Unlike the other provisions of this bill, the alteration in determining the Direct GME payments to facilities does not correct a harmful BBA provision. It is unclear to me why this provision was included in H.R. 3075, and I am very wary of the shifting of resources that will result from some hospitals to others. I hope that conferees do not include this provision, as it does not have a place in this corrective legislation, there has been no opportunity to debate this new adjustment, nor is it clear how specific institutions will fare under the adjusted DGME payments.

Mr. Speaker, the corrections contained in H.R. 3075 are moderate, but essential to rural health care providers who serve the elderly. Through technical refinements we are beginning the process to ensure providers are reimbursed fairly for the services they furnish Medicare beneficiaries. I trust that we will continue to rework these reimbursement levels, through future Medicare reform legislation, in order to maintain the best and most efficient health care to our seniors.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, in 1997, we knew there was concern about the long-term financial health of Medicare, because we knew the baby boom generation would soon become eligible for the program. But what did we do? We slashed Medicare payments to providers of care far beyond what was sensible—not to use that money for Medicare, but in order to take it and use it for tax cuts. Now we are faced with the consequences of that action.

But today we are attempting to remedy some of the effects of that law by a process that is just as hasty and imperfect.

And so we do not know if we are really addressing the problems satisfactorily. What we do know is we did not do anything in this Congress nor in this bill to assure the viability of the

Medicare program as the President proposed to do. We are certainly not doing anything to address the needs of the seniors on Medicare to provide prescription drugs for them.

This is both unfair and irresponsible. We are not dealing with some small program that has limited impact. What we do will affect millions of Medicare beneficiaries and virtually all health providers in this country—teaching hospitals, home health providers, rural and inner city institutions—all of them are affected.

Of course I will vote for this bill because it is the only choice before us, and because we clearly need to remedy some of the most severe problems caused by the Balanced Budget Act of 1997.

But this process is wrong.

The Republican majority has denied us the opportunity to provide help for Medicare beneficiaries to secure more affordable drugs. We could and should be voting today to stop the discrimination our seniors face when they are charged prices frequently more than a hundred percent greater than HMOs or favored buyers secure.

My Government Reform staff has conducted more than 140 surveys in Members' districts throughout the country, and we have found this price discrimination against seniors over and over again. They pay more than our neighbors in Canada, they pay more than the Federal government, they pay more than HMOs—and they pay much more than they can afford.

We need to add a prescription drug benefit to Medicare for all beneficiaries. But until we do, we at least have to stop the price discrimination against seniors. This bill should have provided the opportunity to do so.

Why is the majority blocking the effort to offer an amendment to do that and help seniors everywhere? I ask my Republican colleagues: what are they afraid of? Are they afraid to let Medicare beneficiaries know where they stand on drug company price discrimination against seniors?

Medicare beneficiaries and providers deserve better than the hasty and limited action we take today.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Florida (Mr. CANADY).

(Mr. CANADY of Florida asked and was given permission to revise and extend his remarks.)

Mr. CANADY of Florida. Mr. Speaker, I rise in strong support of this important legislation.

In addition to making adjustments in Medicare payment policies instituted by the Balanced Budget Act of 1997, this bill addresses two issues of particular concern to me and to the 12th District of Florida.

Since 1996 I have been working to draw attention to what I believe is an arbitrary provision in the Medicare statute that provides for beneficiaries with organ transplants to receive immunosuppressive drugs for only 36 months. The policy—which was originally brought to my attention by a constituent—is amazingly short-sighted since organ recipients need these prohibitively expensive but essential anti-rejection drugs for an unlimited period of time. If transplant patients do not have access to these drugs and maintain a proper dosage regimen, they will ultimately reject their organ

and potentially lose their life. Ironically, Medicare policy does cover dialysis, re-transplantation, and the hospitalization and medical costs associated with organ rejection—each of which are more costly than the average cost of immunosuppressive drugs for one year. With the strong support and assistance of my colleague from Florida, KAREN THURMAN, and interested groups such as the National Kidney Foundation, I introduced the Immunosuppressive Drug coverage Extension Act earlier this year. Since its introduction, 263 of my colleagues from both sides of the aisle have cosponsored it. I am very grateful to see that the Medicare package before us today includes a provision that, while not identical to my legislation, is an effort to improve upon Medicare's current immunosuppressive drug coverage policy. H.R. 3075 includes \$200 million over the next five years to provide additional drug coverage to beneficiaries who have exhausted their original 36 months of coverage.

While I am convinced that extending beneficiary entitlement to the drugs without imposing a capped dollar amount is appropriate, I appreciate the committees' concerns that more definitive data and cost analysis is needed before taking a more permanent step. To the chairmen of the House health care committees and to the cosponsors of my bill and on behalf of thousands of organ recipients, I want to say thank you for recognizing the need to improve Medicare's existing policy in this area.

Secondly, since early 1998, I have been extremely concerned about the exodus of managed care plans from the Medicare program. In Polk County, in my district, all four operating managed care plans pulled up stakes effective in 1999, suddenly leaving approximately 6,000 beneficiaries without their managed care plan. Ninety-three other counties in the U.S. were also left with no plans. Insurers pointed to low reimbursement rates and provisions of the Balanced Budget Act of 1997—the very law Congress intended to expand beneficiary choice—as the reason for numerous departures from counties around the country. While some counties enjoy extremely high payment rates and the presence of several managed care plans, others (like Polk) have a disproportionately low payment rate and no managed care plans. It doesn't take much examination to see that this is patently unfair. The Congress has an obligation to answer to the over 60,000 beneficiaries nationwide who, after 1998, were left with no managed care plans to choose from; to the approximately 350,000 others whose plan choices were reduced; and to the thousands of beneficiaries in over 2,000 counties who didn't even have a managed care choice in 1998 in the first place.

I am pleased to see several provisions included in the Medicare bill before us today that are aimed at the inequity I've described. The bill is a very positive development. The provisions to ease burdensome requirements and deadlines imposed on managed care plans, and particularly the language to give incentives to plans to enter counties left with no managed care choices, promise greater equity for all Medicare beneficiaries.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on

Ways and Means and someone who supplied a very important component to this bill.

Ms. DUNN. Mr. Speaker, as we continue to make major progress in reforming programs to make sure there is greater access in health care, we want to also make sure that nobody falls through the cracks.

So that is why I rise in enthusiastic support today for this bill to provide essential relief to seniors that are affected by unintended reductions in Medicare under the BBA.

I want to thank the gentleman from California (Chairman THOMAS) for his willingness to work with me on several provisions that are important for women's health and to the pace of medical innovation.

First, this bill doubles the reimbursement for Pap smears. This reimbursement rate has not been increased in over a decade. It really is essential to maintain access to one of the most important preventive measures for detecting cervical cancer.

Secondly, the bill extends Pap smear reimbursements to automated screening technologies. These are important innovations in health care that will make it possible to identify cervical cancer at an early stage and with greater accuracy.

Mr. Speaker, providing incentives to protect the health of women as they grow older is one of the most important public policy decisions we can make. This bill recognizes that fact and goes a long way toward making innovative new treatments available to women.

Mr. STARK. Mr. Speaker, noting that the gentlewoman from Washington (Ms. DUNN), the previous speaker, had joined with Messrs. ENGLISH, SHAW, and HAYWORTH in voting to deny seniors a free drug benefit reduction, I yield 1½ minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from California for yielding me this time.

Mr. Speaker, the purpose of this bill is to make certain adjustments to the 1997 Balanced Budget Act. I applaud the chairman of the subcommittee for bringing out a bill that deals with that.

We have projected Medicare savings in 1997 over 5 years of \$115 billion. In reality, it is going to be closer to \$200 billion. This bill contains some very important improvements in the Medicare system that will deal with the \$1,500 therapy cap right now which is denying many of our seniors necessary rehabilitative care.

It will extend the municipal health demonstration project that affects thousands of seniors. It will provide help for frail elderly and those high acuity nursing home patients. It will help us deal with the Medicare Plus choice problems particularly in rural areas of getting more HMO participation.

But, Mr. Speaker, let me say that this is a very important bill that I hope

will pass overwhelmingly on the floor, but there is more that we need to do. As has been pointed out, we need Medicare reform, including prescription drug benefits. We need to deal with a stable funding source for graduate medical education in inflation. I know many people share that thought.

We need to take a look at high acuity patients, particularly from long-term care and the special needs of psychiatric hospitals.

I congratulate all those who are responsible for bringing forward this bill. Let us pass it, and then let us work on the other reforms that are necessary in order to provide the best possible care to our seniors.

Mr. Speaker, I rise in support of the important Medicare bill before us today. In taking the important step of refining many of the Balanced Budget Act's Medicare provisions, Congress is acknowledging what so many seniors and health care providers have known for a long time now: that the 105th Congress made several mistakes in crafting Medicare reforms back in 1997. Some of the changes we made restructured the risk contracting program, others were designed to reduce provider reimbursement levels in several areas. In both categories, the consequences have been far different from what we in this body intended or expected.

In 1997, the Congressional Budget Office estimated the Medicare reductions at \$115 billion over five years. Since that time, we have seen evidence that the reductions are closer to \$200 billion. The effect of this difference on the accessibility and quality of care for our seniors transcends budget numbers, however.

This bill, the Balanced Budget Refinement Act, makes important restorations in several key areas that will help our seniors secure the medical care they need. It adjusts payments for skilled nursing facilities so that the most frail nursing home patients can receive additional payments for the ancillary services they require; it helps alleviate the arbitrary caps placed on outpatient therapy services, which now prevent one of six patients from receiving the care they need; it extends the Municipal Health Services Project for one year, and it provides very important relief for seniors who rely on home health services. I am also very pleased that this bill extends coverage of immunosuppressive drugs for transplant patients who are now subject to a three-year limit for these life-saving therapies.

This bill also provides incentives for Medicare+Choice plans to participate in lower-cost areas. The Medicare+Choice program was designed to expand the private health plan options available to our seniors. But two years after BBA's passage, seniors' options have diminished rather than increased as many rural areas have lost their Medicare HMOs and even in higher cost urban areas, plans are reducing benefits and raising premium charges. In some states, there has never been a managed care option for seniors. Most health plans cite low payment rates as the reason for their lack of participation. This bill offers bonus payments to plans that are willing to enter markets where there is no Medicare HMO option today.

There are additional areas that still must be addressed. I support the creation of an all-payer graduate medical education trust fund

that will save Medicare more than \$1 billion annually, while providing a steady funding source for the training of our Nation's medical professionals. My proposal for BME replaces the current outdated payment structure for residents with a fair national standard based on actual resident wages. As the dire financial situation of academic medical centers worsens, I hope we can reorganize the need to stabilize their financial condition. We can act to shore up these institutions and ensure the continuation of the high-quality medical workforce we enjoy today.

I also support restoration of the cuts BBA made to hospice care, which is an essential part of our effort to provide comprehensive medical treatment to the Nation's elderly and disabled. I support providing adequate payments for all frail patients in nursing homes, including rehabilitation categories whose costs will continue to be inadequately reimbursed even after passage of this bill. And, I support the creation of a drug benefit for fee-for-service Medicare that provides all beneficiaries, not just those with access to an HMO, with coverage for outpatient prescription drugs. These are key issues that Congress will need to be addressed further next year.

Earlier this year, I urged Congress and the Administration to join in a united effort to address these matters. I am proud that Congress has taken this crucial step today and I also applaud the Administration for working with Congress and moving to take the administrative measures that are within its power. I urge my colleagues to support this bill and help us move forward to restore crucial health services to America's Medicare beneficiaries.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, let us remember specifically why we are here. We are here because we made mistakes, but we made mistakes with the Republican majority in terms of some of the draconian cuts that they were attempting.

We still do not deal with the fundamental issues. We do not deal with the fundamental issues that literally thousands of Americans are, in fact, being permanently damaged because they have reached therapy caps in terms of stroke victims who will remain paralyzed forever because of the inaction in this Congress that remains in this bill.

But let us talk about what we are not doing. What we are not doing is we are not facing any of the real fundamental issues facing health care in America. My colleagues in the majority are afraid of those issues.

There is a procedural game that is being played today, which is a suspension vote, which rejects the ability of the minority to do a motion to recommit that would probably overwhelmingly pass in this Chamber on prescription drug coverage for Medicare. My colleagues on the other side are afraid of that vote. They are afraid of giving the American people what they need and they deserve. They are afraid of fundamental change in the Medicare system. They are afraid of the Patients' Bill of Rights bill. They are afraid of putting the sponsor of that bill on the conference committee.

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Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. MCCRERY), a member of the Subcommittee on Health of the Committee on Ways and Means, again without whose tireless work this bill would not be possible.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me this time. A few moments ago our colleague, the gentleman from California (Mr. WAXMAN), was on the floor and said that the cuts in the BBA were irresponsible. Well, they certainly have gone further than most of us would have liked, but the fact is those cuts, that legislation, was a joint effort between Democrats and Republicans, the White House and the Congress, so we ought not be down here denigrating anybody for the good faith effort that was entered into to try to save the Medicare system.

We now know that some mistakes were made; that some of the cuts went too far. That is the purpose of this legislation on the floor today, and we have worked together again, Democrats and Republicans, to try to repair that damage in the most responsible way.

What is irresponsible, though, is to stand up and call for free drugs, free prescription drugs. Americans, senior Americans, know that drugs are not free. Prescription drugs are not free, and we ought not promise something that is impossible. We ought to be responsible about crafting a Medicare program that, yes, includes a prescription drug program but not to stand up here and say, let us vote for free prescription drugs. That is irresponsible.

Mr. STARK. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. THURMAN), the author of the amendment, that would have given free or discounted prescription drugs, not free, free to the government, but a deduction or a reduction in the cost to the seniors.

I would note, Mr. Speaker, that the previous speaker, the gentleman from Louisiana (Mr. MCCRERY), also voted to deny the seniors in his district a discount on prescription drugs at no cost to the government.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate his remarks. I too want to reiterate that was a discount, not free, and it would have been just like we do with Medicaid and VA.

And I want to bring to the attention here today that just yesterday there was a report that was released that actually said that drugs have gone up 25 percent, which is two times the inflation. So many of these drugs have continued to rise for no apparent reason.

I do want to say, though, that I am pleased in some respects, would have liked to have done a little bit more, obviously, but I am somewhat happy with the IME, the DSH, we have done some

things in here for skilled nursing facilities, and I hope that we will concur with the Senate on the hospice issue.

I want to take a moment to thank all the members of the committee who listened to my plea and who have helped me with the anti-rejection drug issue that is in here. My colleagues will realize, once we get some of this other report back, once we start spending this money, that this will save lives. It was good common sense. It will save money to our Medicare system. And I also want to say we did the right thing when we did the composite rate on dialysis.

I do want to suggest, though, that I hope in this coming year that we can truly sit down on an issue that is so important, especially after the report that came out yesterday, that we really have got to do something on. Because the other issue that was brought out that was an advertisement by PhRMA which said, look at all of these wonderful drugs we are doing. They cannot afford them.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN), a fellow member of the Subcommittee on Health.

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

I am pleased to support H.R. 3075, the Medicare, Medicaid and State Childrens Health Insurance Program Refinement Act of 1999.

This bill takes an important first step towards ensuring that cancer patients have access to the best medical treatments available.

Under the BBA of 1997, the Health Care Financing Administration was directed to develop a hospital outpatient prospective payment system (PPS). Under their original proposal, reimbursements for cancer drugs would have been dangerously low—potentially denying Medicare patients access to the most effective treatments.

However, under H.R. 3075, our nation's seniors with cancer will be protected because our nations cancer hospital's, including MD Anderson in Houston, will be exempt from the PPS for two years.

This additional time will give the medical community and Members of Congress time to evaluate the plan based on actual practices in other hospitals across the country.

Moreover, because HCFA has recognized the flaws in their original proposal, they have committed to redevelop the PPS to better reflect the needs of Medicare patients everywhere. According to HCFA, they are preparing to substantially increase the number of payment categories for cancer drugs, which will better reflect the high cost of innovative treatments and new drug therapies.

This bill is better than nothing—but leaves a lot of issues neglected including senior citizen prescription medication needs and making medicine better serve the needs of today's and tomorrow's senior citizens.

Today represents the way this process should work—Congress and the Administra-

tion working together to meet the needs of the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. THOMAS. Mr. Speaker, I yield 15 seconds to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, if this were only about fixing Medicare, it would be fine, but a provision that was entered into this bill wreaks havoc with teaching hospitals.

This proposal results in no savings but would shift millions of direct medical education dollars between hospitals, with no consideration as to the financial needs of a hospital or the type of patient they serve. As a result, \$250 million in Medicare funds will be transferred from 400 teaching hospitals across the country to 600 others. This will actually cost \$300 million extra.

Now, BBA relief legislation was supposed to restore Medicare cuts to hospitals, not initiate new cuts to hospitals. That is what it does to a major teaching hospital in my district, and that is what it does across the country. This affects Democrats, Republicans, people representing all different places across the country. This provision should not be in here.

I know my friend from California (Mr. THOMAS) put in the provision because it helps his district, but it should not be done this way. There should not be winners and losers here, and the payment should not be made at the national rate.

Mr. Speaker, I provide for the RECORD a letter addressed to the Chairman of the Subcommittee on Health of the Committee on Ways and Means from one of our colleagues, the gentleman from Georgia (Mr. KINGSTON) dated November 3, 1999, and signed by numerous other colleagues.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 3, 1999.

Hon. WILLIAM M. THOMAS,
Chairman, Ways and Means Subcommittee on Health, Washington, DC.

DEAR CHAIRMAN THOMAS: We are very concerned about two provisions in the House Balanced Budget Act (BBA) Relief package. We fervently request that these provisions be changed because of their serious, disproportionately harmful effects on smaller teaching hospitals.

Specifically, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would reduce reimbursements for hospitals in our districts by millions of dollars per year. It is ironic that a bill designed to provide relief to hospitals hurt more by BBA than projected would, in fact, inflict even deeper harm.

As you know, H.R. 3075 contains a provision that would change the Medicare per Resident Direct Medical Education payment from a hospital-specific rate to an amount based on a national average per resident. This provision penalizes smaller teaching hospital programs because the fixed costs of operating a fully accredited residency program is spread over a smaller number of residents. It rewards programs that train large numbers of residents, regardless of community need. We further question its need, as it

is budget-neutral at the national level—it simply shifts funding from smaller programs to the larger programs.

Unfortunately, the second provision is even more harmful. The House bill, unlike the Senate, freezes the relief rate from BBA reductions in IME at six percent for one year, then decreases the rate to 5.5 percent. Proceeding further with this proposal will result in multi-million dollar penalties for hospitals across the country. We ask that the House bill be modified to raise the IME relief from 6.0 to 6.5 percent.

Furthermore, we strongly oppose retaining a provision for per resident averaging and ask that it be eliminated in the House bill before it is brought to the floor or via a manager's amendment during floor consideration.

Thank you very much for your serious consideration of these concerns. We must ensure that legislation intending to provide relief for hospitals does so fairly for all facilities and avoids inflicting additional harm.

Sincerely,

Jack Kingston, Nathan Deal, Mac Collins, Charles Norwood, Jim Talent, Sherwood Boehlert, David Vitter, Lee Terry, Jim DeMint, Sue Myrick, Jack Quinn, Todd Tiahart, Pete King, Judy Biggert, Billy Tauzin, Robert Ehrlich, Jr., Connie Morella

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I thank the gentlemen from New York and California, and I want to say this is a bipartisan problem.

We do thank the gentleman from California for trying to correct some of the problems with the BBA, but, on the other hand, it creates a new problem with the indirect medical education reimbursements and it changes the formula to base it on a national average per residence, which in some areas causes great losses of money.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means, who represents the district with the greatest number of seniors in the United States.

Mr. SHAW. Mr. Speaker, today I rise, as I think every Member of the House on both sides of the aisle does, in strong support of H.R. 3075, the Medicare Balanced Budget Refinement Act of 1999. This is a bill that is of critical importance to the citizens of my district, my State, and, indeed, all across the United States.

I would like to commend the chairman of the Subcommittee on Health, the gentleman from California (Mr. THOMAS), and the gentleman from Texas (Mr. ARCHER), chairman of the full Committee on Ways and Means, for expediting this effort to restore desperately needed funds to Medicare providers, who have been caring for Medicare patients day in and day out, often for Medicare payments that are not adequate to cover the cost of providing these services.

In my district, for example, the Sylvester Cancer Hospital is currently losing approximately \$700,000 a year caring for Medicare cancer patients and

hospices which cares for the most vulnerable terminally ill Medicare patients are unable to provide newest medications to comfort these patients under the current Medicare reimbursement level.

I have been hearing from many, many concerned citizens—nursing homes, physical therapists, home health providers, physicians and hospitals regarding the importance of acting quickly to restore some of the 1997 BBA cuts that are already detrimentally impacting patient care. I thank my good friends the Health Subcommittee Chairman BILL THOMAS and Full Committee Chairman BILL ARCHER for moving this important Medicare rescue bill so quickly. I urge my colleagues to unanimously support H.R. 3075—it doesn't provide all the Medicare fixes that are needed—but begins to address the most urgent needs immediately.

Mr. Speaker, there are many things we have to do next year and work on, one is the question of drugs, and we will certainly look forward to working, hopefully in cooperation with the minority, in order to come up with a good bill to give our seniors further relief.

Mr. THOMAS. Mr. Speaker, I yield 1¼ minutes to the gentleman from Iowa (Mr. NUSSLE), a member of the Committee on Ways and Means and someone who has worked on this bill especially for rural hospitals.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding me this time.

I guess I should not be surprised that there are some who run to the floor today and try to make political issues for the next campaign. None of us should be surprised by that because it has been done so many times in the past. Whether it is prescription drugs, no, there is no debate today on that issue. There should be. Should it be on Medicare reform? You bet. HMO reform? We have had it, and we are going to have more debate. All of that debate needs to occur.

But while some want to preserve those issues for a campaign, my hospitals are ready to close. Because this is the most important issue in health care that we face this year. We cannot wait while Members cut 30-second spots for their campaigns and let my hospitals close. Because I tell my colleagues that if my hospital closes, my seniors, my neighbors and I do not have health care.

So while my colleagues on the other side want to fiddle around, those who have come down here to do just that, our hospitals across the country are in jeopardy of closing. So I would ask those individuals on the other side to stop the politics and let us pass this bill.

And I would end my debate by just suggesting that the rural health care portions of this bill are going so far in order to make us whole over the 1997 cuts, cuts that were not meant to have the kind of impact that they have had, and I commend the committee for doing the reform.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Arizona

(Mr. HAYWORTH), a member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time, the chairman of the Subcommittee on Health, and I would echo the comments of my good friend, the gentleman from Iowa (Mr. NUSSLE), and simply say that for rural hospitals this refining piece of legislation is absolutely important.

I would agree with the portion of the statement of the gentlewoman from Florida that when it comes to immunosuppressive drugs for transplant patients, this legislation is vitally important. When it comes to teaching hospitals, this legislation is vitally important.

When it comes to accountability in the legislative branch, and let us be honest about the budget negotiations in 1997, many of these provisions were not advocated by either the majority or the minority here but at the other end of Pennsylvania Avenue. When we choose to correct, we are being responsive to our constituents.

I welcome constructive comments. We will save the politicking for a campaign. Today we do the people's business, restoring rural health care, restoring home health care, expanding immunosuppressive drugs and making a difference with a prescription for success for health care and the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1¼ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, this bill is inadequate. The Republicans have been standing on the floor for the last month holding up a penny saying, oh, people are not willing to cut a penny out of the entire Federal budget, although it would affect, ironically, many of the programs that they now are out on the floor saying they care so much about.

But in 1997 they led the effort to cut Medicare by what they said was going to be \$110 billion. It has wound up now at \$210 billion and, at the same time, they had a tax break out here on the floor for the wealthiest Americans for \$275 billion over 10 years. Now that was a nice package in 1997. A tax break of \$275 billion, that is the law for the wealthiest in America; cut Medicare by \$200 billion, just over 5 years, and then come back in 2 years and say, look at the great surplus, look where it came from.

What do they say to the people on Medicare? We are going to give back a nickel out of that \$200 billion cut in Medicare. To the hospitals, to the home health servers, to the communities across the country, to the people who are sick in our country, and old, they get back a nickel. And what do they do with the rest of the surplus? Oh, they have a new idea, an \$800 billion tax break for the wealthiest in America over the next 10 years.

So who is funding this huge tax break idea, the money that goes back to the communities, actually to the wealthy under their plan? The people who are funding it are people who are in nursing homes. The people who are funding it are people who they cut viciously, this program. Hospitals and nursing homes are hemorrhaging and they want to put a Band-Aid on it today.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. RYAN).

(Mr. RYAN of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, this bill is vital to the successful continuation of Medicare as we know it. This bill restores some of the changes that were made to the Medicare program back in 1997 in the Balanced Budget Act.

In the district I serve, several Medicare+Choice providers announced that they would terminate services for seniors. The beneficiaries were understandably devastated. I held a town hall meeting in August of this year to bring together the health plans, HCFA and Medicare beneficiaries. The response was overwhelming.

Some of the beneficiaries decided they were not going to lose their managed care coverage without a fight. Joyce Scantling, of Racine, WI has been leading this fight and has worked tirelessly with 50 or 60 other beneficiaries to rally their support around Medicare legislation to fix the reimbursement rates. I hold in my hand thousands of signatures of Wisconsin seniors who have contacted me in support of providing a fix to Medicare and in support of protecting their choices under Medicare.

This bill restores funding for Medicare+Choice providers, as well as hospitals, home health care providers, and skilled nursing facilities. It protects the benefits of Medicare beneficiaries like Joyce Scantling into the future.

Mr. Speaker, I believe the current situation with Medicare in this country is unacceptable. Wisconsin and other rural states do not receive the same reimbursements as the rest of the country; as a result of this disparity, seniors in these areas are not entitled to the same services as seniors in places like Florida or Texas. Some of these areas do not even have a Medicare+Choice option because they cannot make it work with the low reimbursement rates that are offered in those areas. Seniors in my state should not be entitled to a lower level of service than seniors in other parts of the country.

My ultimate goal is to equalize reimbursement rates nationwide to ensure that all seniors, regardless of where they live, would be entitled to a choice in Medicare, a choice that would give them the services they are entitled to. However, in the meantime, I believe this legislation provides the next best alternative because it targets resources where they are needed, such as my home state of Wisconsin.

To this end, I applaud passage of this legislation because I believe it will bring Wisconsin closer to receiving fair and equitable reimbursements for medical services; this cause is not yet complete, however it is a step in the right direction. I will continue to fight to ensure

fair medical coverage for seniors in all parts of this country.

Mr. THOMAS. Mr. Speaker, I yield myself 1½ minutes.

Contrast the speech we just heard on the floor with the statement from the White House. Chris Jennings, who is the White House health person, said recently, "We were partners with the Congress when we passed the Balanced Budget Act, and we are going to be partners when we address the rough edges of that law."

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I have been pleased with Members on both sides of the aisle in terms of their understanding of just what this bill is. It is a refinement bill. It is not a reform bill. We still need to address prescription drugs. But Members need to remember that the 1997 act created the bipartisan Medicare Commission.

On that Commission, the public and the private members agreed, the Senate and the House Members agreed, Democrats and Republicans agreed. We had 10 votes. We needed 11. The President had four appointees. Not one of the President's appointees supported the reform package, which would have integrated prescription drugs into that program.

In the recent tax bill, there was a tax deduction for prescription drugs. The President vetoed that plan.

We stand ready to sit down tomorrow with the President and any Democrats who work in a positive way to deal with integrating prescription drugs into Medicare. It needs to be done. But this very narrow, very shallow canoe cannot support that kind of an issue today. It is a refinement bill.

I am very pleased with the comments of the Members who understand our objective today. This is a modest change. We will continue.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

(Mr. KENNEDY of Rhode Island asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, I oppose this bill because it shortens the solvency and the life of Medicare.

H.R. 3075 increases payments to Medicare providers by approximately \$11.5 billion over five years. But it is a flawed and irresponsible bill.

It was brought up without the Democrats having any chance to negotiate with the Republicans.

We were not allowed any Democratic amendments, including a substitute, which we specifically requested.

There has been no consultation with Democrats—it is being brought up hastily.

It is being brought up under the suspension of the rules.

The Republican bill is not paid for. Because it is not paid for the bill shortens the solvency of the Medicare Part A trust fund by at least a year and increases Part B premiums for seniors. The Republican bill will shorten the life of the Medicare Trust Fund.

A democratic amendment if offered would have paid for the 2.7 billion that would have been offset.

The bill will reduce medicare payments to teaching hospitals. It will transfer \$250 million in Medicare funds from 400 teaching hospitals. It will initiate new cuts against teaching hospitals.

It does not include language to help seniors with the high cost of drugs.

It does not have the Senate language to strike the \$1,500 limit on rehabilitation caps and therapies. This is a provision that nursing homes need desperately.

It includes "deemed status" for HMO's; this provision will weaken our ability to insure quality in HMO's that participate in Medicare.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Rhode Island (Mr. KENNEDY) said it quite eloquently. This bill is not paid for. It spends Social Security surplus, shortens the life of the Medicare trust fund, and does not deal with, as the committee had an opportunity to deal with, providing a discount, a discount of 25 to 50 percent off prescription drugs.

I would remind people in the Florida area that the gentleman from Florida (Mr. SHAW) voted against people getting that discount on their prescription drugs at a time when the managed care plans in his area are reducing the prescription drug benefits to seniors, as did the gentleman from Pennsylvania (Mr. ENGLISH), as did the gentleman from Arizona (Mr. HAYWORTH). They voted to deny seniors a savings of 25 to 50 percent at no cost to the Federal Government.

They intend to support the pharmaceutical industry, whose huge political contributions are funding the Republican campaigns. Make no doubt about it, they yield to the big men and they will not help the seniors who are struggling every day to pay for the prescription drug benefits which the Republicans have repeatedly denied. They refused to have hearings, and they refused to vote for reasonable legislation.

They are on the record. Let them deny it. Let them go home and explain to their seniors why they are being destitute because they cannot get prescription drugs at a reasonable price.

Vote against the bill in protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, no one from the Ways and Means majority has answered why they voted against prescription drug discounts.

We have legislation before this Congress to cut the cost of prescription drugs. Yet Republicans will not give us a vote or allow us to debate on the floor any of the legislation we have to provide discounts while Americans pay two times and three times and four times for prescription drugs what people in other countries pay. Remember, 50 percent of all research and development for prescription drugs in this country is paid for by taxpayers. Yet American consumers, America's elder-

ly pay twice as much or three times as much as consumers all over the world in England and France and everywhere else in the world.

This bill is okay, Mr. Speaker. We help providers. But most importantly, we should pass a patients' bill of rights. We should pass prescription drug coverage and prescription drug discounts for America's seniors.

Mr. THOMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY), a member of the committee.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, I am pleased that my colleagues and I on the Ways and Means Committee were able to craft a bill that addresses some of the problems that have arisen through the implementation of the Balanced Budget Act.

I have heard from nursing homes, home health agencies, HMOs, hospital administrators, doctors and nurses, and other health care providers about their difficulties giving seniors on Medicare adequate care under new and sometimes unrealistic financial constraints.

I have also heard from many of my constituents on Medicare who are frustrated and scared by some of the problems that the BBA has created.

I am happy that we can give back some of the resources that Medicare patients desperately need.

I would like to comment on some of the provisions in the bill;

OUTPATIENT PPS

I am pleased that we can help hospitals, and specifically hospital outpatient departments, by including a provision that is similar to the bill I introduced—the Hospital Outpatient Preservation Act.

This provision gives hospitals a more gradual transition to the prospective payment system. I hope this will help them to continue offering services that are better provided in an outpatient settings—services like chemotherapy and psychiatric counseling—so that patients can return more quickly to the comfort of their homes.

MEDICARE+CHOICE RISK ADJUSTER

I was very concerned to read remarks made by the President, expressing his opposition to restoring HCFA's cuts to Medicare managed care companies.

I have 12,500 seniors who are losing their HMO at the end of this year and I know that I'm not the only member who has had this experience. Many seniors will have to go back to fee-for-service because they don't have another HMO in their country.

Most of my constituents are pleased with their HMO. These plans provide prescription drug coverage and other much-needed services that traditional Medicare does not cover.

But these companies are struggling with the high cost of caring for Medicare patients in areas where their reimbursements are not high enough—especially rural areas.

When we passed the BBA and started Medicare+Choice, we intended this to be a first step in modernizing the Medicare system. If HMOs—that had previously been successful

in the Medicare system—cannot survive under the new reimbursements, how can other types of health plans compete?

This bill contains provisions which will encourage HMOs to enter areas where none exist.

I want to guarantee that we get HMOs into new areas, but also that we keep them there and keep them in areas where they are already operating.

This must be an ongoing process. We must look at reimbursement rates for rural areas where the cost of health care is high but the availability is low.

We must look at the rates for plans who are treating very sick patients.

We must ensure that HCFA is paying these HMOs fairly and not cutting more money from them than Congress intended based on its own motives of those of the Administration.

IMMUNOSUPPRESSIVE DRUG COVERAGE

Finally, I am pleased to see the inclusion of immunosuppressive drug coverage offered by two of my colleagues from Florida, Congressman CANADY and Congresswoman THURMAN.

It defies logic for Medicare to pay for transplant surgery for a Medicare recipient, then cut off the drugs that they need to survive this surgery after only three years.

Receiving a transplant is a tremendous gift—a chance for a new life. This chance should not be wasted by arbitrary limits on drug coverage.

I am glad that we have showed compassion in extending these drug benefits.

CONCLUSION

I hope that the President is quick to sign this bill into law so that seniors continue to receive the care they need.

While more fundamental reform in Medicare is necessary, it is important to preserve the services of the current system until this is achieved.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, again I want to thank all of the Members who worked across the aisle in a bipartisan fashion to fashion this refinement bill. I want to thank the staff. It is always difficult when we are attempting to provide assistance and it is an unlimited resource.

I want to underscore, this bill is paid for by on-budget surplus. One movie role most Members of Congress would not have to audition for was the scene in *Oliver* when he holds his porridge bowl up and says, "More, please." It is always "more, please."

But this is a refinement, not a reform. As the Members on both sides of the aisle have indicated, there needs to be adjustments.

As a matter of fact, the President of the United States, in a letter dated October 19, said, "We believe that our administrative actions can complement legislative modifications to refine BBA payment policies. These legislative modifications should be targeted to address unintended consequences of the BBA that can expect to adversely affect beneficiary access to quality care."

He did not say do a prescription drug program. He did not say rewrite the program. He said refine it where those

areas have unintended consequences. That is exactly what this bill does. That is the intention and purpose of the bill.

It just seems to me this is a modest effort, it is a meaningful effort. I would urge those who continue to say they want to really deal with prescription drugs to sit down with us tomorrow and deal with prescription drugs the only responsible way. That is an integrated prescription drug program for all our seniors, not an add-on, not a tack-on, not something that uses gimmicks like formulas or numbers, but a prescription drug program that integrates health care delivery with numerical prescription drugs.

That is what seniors deserve. That is what we offered that the President refused to participate in and the Medicare Commission. They could have deducted the cost of those in the tax bill that he vetoed. But we stand ready tomorrow to sit down and work on this important problem.

Today, let us make those adjustments that the President said were needed in areas that we had not fully understood at the time we passed the bill needed to be changed.

Mr. Speaker, let me conclude that more than three dozen organizations, including the American Hospital Association, the American Medical Association, more than two dozen specialty medical groups including the American Geriatrics Society are in support of this. It seems to me that this modest adjustment needs to go forward.

I thank all of those Democrats who spoke harshly but who will, of course, vote for the bill. I urge all to vote for the bill.

Mr. UNDERWOOD. Mr. Speaker, I'm speaking today in support of H.R. 3075: The Medicare Balanced Budget Refinement Act of 1999. This act provides for increased funding for the State Children's Health Insurance Program which provides much needed health insurance coverage for low-income children.

The SCHIP is targeted at those uninsured children who live in families with income 2-times below the poverty line. This program is authorized to match state spending for child health initiatives, including Guam.

This bill modifies the SCHIP allotment formula to provide states with a more stable financing mechanism. But, more importantly, H.R. 3075 corrects and under-representation of territory population that was reflected in the original formula established by the Balance Budget Act of 1997.

Under this new provision, H.R. 3075 provides for increased allotments for territories which typically receive a pittance of what most states are allocated. This bill will authorize an additional \$34.2 million for each of Fiscal Years 2000–2001, \$25.2 million for each of Fiscal Years 2002–2004; \$34.2 million for each of Fiscal Years 2005–2006 and \$40 million for FY 2007 for commonwealths and territories to correct the disparity created as a result in the original formula.

This is an important victory for the territories and commonwealths because no American child ought to be left behind no matter where they live. I am very pleased that uninsured

children who live in Guam, the other territories and commonwealths will receive medical insurance that is much needed in the islands.

I would like to take this opportunity to commend my colleague, the gentleman from Puerto Rico, Mr. CARLOS ROMERO-BARCELÓ, who worked tirelessly to ensure that the territories and commonwealths were fairly represented in this measure. Therefore, I stand in support of H.R. 3075.

Mr. MURTHA. Mr. Speaker, I want to acknowledge the hard work on both sides of the aisle and both ends of Pennsylvania Avenue that went into the arduous task of balancing the budget and arriving at the 1997 Balanced Budget Agreement.

However, two years later, I think it is eminently clear that our Senior Citizens, as well as all medical patients and health care providers cannot sustain the cuts that were made in Medicare and so I applaud the efforts of the committees of jurisdiction in moving this BBA 'refinement' bill before adjourning for the year. It will restore some of those cuts and give the hospitals and home health providers some hope and some breathing room for the short term. There are a lot of people, I think, who won't be laid off for Christmas because of this bill.

This 11.5 billion-dollar Medicare reimbursement adjustment bill marks a major step forward in our necessary commitment to provide the care needed throughout our health care system. The improvement in reimbursements to hospitals, home health agencies, rehabilitation services, and nursing homes give a huge boost to the commitment by our health care professionals to provide the full, quality care we all want to see.

However, from my continuing conversations with health care professionals, I think we also need to recognize that as strong of a step forward as this bill is, it is not the last word. We're going to have to keep working toward HMO reform, prescription drug coverage, and expanding the number of people with health care coverage and further adjustments in reimbursement rates.

During this period of a sustained health economy, we need to understand that it is not acceptable to have people out there not getting the health care they need.

I have kept in constant touch with the hospital people, the home health care people, the ambulance people and of course, patients—especially the elderly—in my district during this long period of severe belt-tightening, consolidation, layoffs and downsizing that have significantly harmed the quality of health care service in rural Pennsylvania. There is no question the impact was much more severe than was foreseen.

So, while there is no doubt that this bill is a key to alleviating the crushing, and I think to a large extent unexpected, slashing of revenues that have caused even small rural hospitals' budgets to drop millions of dollars each in just a few years, the struggle to maintain adequate health care funding is not over and I will press very hard to make sure we'll be addressing this issue again in the very near term.

Mr. STENHOLM. Mr. Speaker, I am pleased that the House of Representatives has recognized the need for considering legislation to address the concerns of many of my constituents regarding the impact of the medical payment reductions included in the Balanced

Budget Act of 1997 (BBA). The BBA included provisions which were intended to preserve the solvency and integrity of the Medicare program for future generations. Unfortunately, some of the provisions of the BBA have resulted in unintended consequences as many health care providers have indicated that the payment reductions go too far. This is particularly problematic in rural areas where health care providers have always had to do more with less.

Along with my colleagues in the House Rural Health Care Coalition, I have been working to encourage the Congressional Leadership to consider legislation which would help rural health care providers. We introduced the Triple A Rural Health Improvement Act as a basis for these discussions, and I am pleased to see that some of the important rural health provisions from our bill have been included in the legislation we are considering today. In particular, this bill contains provisions which should help our rural hospitals, nursing homes, home health care agencies, rural health clinics, community health centers, and other health care providers.

This bill contains provisions intended to protect low-volume, rural hospitals from the disproportionate impact of the hospital outpatient prospective payment system, creates an alternative payment system for community health centers and rural health clinics, strengthens the Medicare Rural Hospital Flexibility/Critical Access Hospital Program, expands Graduate Medical Education opportunities in rural settings, and permits rural hospitals in urban-defined counties to be recognized as rural for purposes of Medicare reimbursement.

The legislation we are considering today is a step in the right direction; however, it is only a first step. We have much more work to be done in order to ensure that rural Americans have access to quality, affordable health care services, and to preserve the solvency of the Medicare program for current and future generations.

Mr. CALVERT. Mr. Speaker, my district in Riverside County depends on a number of facilities to provide quality health care to its residents. Many of these facilities have been hit hard by the restrictions that were imposed after enactment of the Balanced Budget Act. This legislation would increase reimbursements to Skilled Nursing Facilities with patients that have medically complex conditions, provide flexibility in staffing and procurement priorities at rural hospitals, ensure the availability of home health care, and restore funding lost from some of the BBA reforms. With these new provisions, we will be able to continue to reap the benefit of the savings provided by the BBA reforms without driving critical healthcare facilities out of business and deteriorating our healthcare infrastructure.

I support this important bill and would have voted for the bill. Unfortunately, I have conflicting responsibilities in my congressional district. Specifically, I have been asked to participate in the dedication of the National Medal of Honor Memorial at Riverside National Cemetery. While I regret having to miss this vote, I look forward to honoring the recipients of the Medal of Honor at this dedication. We enjoy freedom and liberty today because of their dedication and sacrifice for our country.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in strong opposition to the fact that this very important bill to my constituents and to

many senior Americans across the country is being brought to the floor under the suspension of the rules without any opportunity for members to amend the bill.

Mr. Speaker, all of us will agree that the cuts in Medicare that were made under the Balanced Budget Act of 1997 went too far. Literally thousands of seniors have lost or are about to lose the opportunity to receive vital care in hospitals, nursing homes and home health care facilities.

In my own district, we only have two facilities that provide long term care for the elderly. As a result, of the Balanced Budget Act cuts in Medicare, both Mentor Clinical Services and Sea View Health Care Services have been tethering on the brink of financial collapse because of the inadequate reimbursement rate that the Act provided.

Mr. Speaker, the bill before us today is a start in remedying the damage that was done to our seniors two years but it doesn't go far enough. The minority should be allowed to offer our amendment to provide additional relief. I urge my colleagues on the other side of the aisle to reconsider their refusal to allow amendments. This is a good bill but it doesn't go far enough.

Mr. RILEY. Mr. Speaker, this legislation is certainly a step in the right direction, and that's good, but it simply doesn't solve all the problems facing America's hospitals, especially those out in our rural areas. Now, if you take a closer look, you'll see that most of these changes only delay the problems, they don't solve them. However, they do buy us some time, and if we use that time wisely, we can find a permanent fix.

Like me, I'm sure all of you have heard a lot about this from your constituents, and rightly so. Only half of the Medicare savings plan has taken effect, but already we're seeing some serious problems with it—funding for home health care isn't enough, it's getting harder to recruit physicians, ambulance services are losing money and we're even having trouble funding transportation services for people physically unable to drive to their doctors' appointments. Now that's not right. We can do better.

So I do support this legislation today. As I said, it's a step in the right direction. However, I strongly urge my colleagues to stay the course and help us find a permanent solution to this very serious problem before it's too late.

Mrs. LOWEY. Mr. Speaker, I rise in reluctant opposition to H.R. 3075. I have been calling all year for this House to address the already-staggering burdens that our health care providers are coping with from the cuts mandated by the Balanced Budget Act of 1997. In fact, I introduced legislation with my colleague JACK QUINN to do just that.

I wanted very much to support this legislation. Hospitals in New York have faced significant operating losses and deficits, and they still have \$2.6 billion in BBA cuts ahead of them. Thousands of employees have been laid off in an attempt to avoid damaging quality health care services. Even with significant cuts in personnel, many hospitals are hemorrhaging money. The plight of our hospitals, particularly teaching and safety net hospitals, is especially grim.

These premier educational and research institutions have been caught between their traditional mission of serving the less fortunate

while educating new generations of physicians and competing in the managed care marketplace. Many states, including California, Pennsylvania, Massachusetts and New York, have heard from hospitals reeling from the impact of substantial cuts.

Our hospitals desperately need some relief. But this bill undercuts New York hospitals. It contains policy changes to the Graduate Medical Education program that would take GME dollars away from New York and other states' institutions, and redistribute it to other states. This is unfair and it is punitive, and it certainly does not belong in a bill intended to help struggling hospitals.

I hope that these damaging GME provisions will be removed as negotiations proceed with the Senate and the White House. My colleagues, we need BBA relief desperately—but it must be fair. I will oppose the bill as it is written, and will work with my colleagues to make sure this bill truly provides relief to our health care institutions.

Mr. SMITH of Washington. Mr. Speaker, I rise today in strong support of H.R. 3075, the bill to revise changes made to Medicare payments as a result of the Balanced Budget Act of 1997.

I strongly support this step forward in making the necessary adjustments to select changes made by the Balanced Budget Act. These changes called for a reduction in Medicare spending of \$116 billion over five years, but cuts have actually been closer to \$200 million, according to estimates. These reductions are primarily in Medicare reimbursement rates—the amount hospitals and health care providers are reimbursed by the Federal Government for treating Medicare patients. As a result, many health care organizations are becoming unwilling or unable to provide care to Medicare patients.

I am concerned that the Congress made in 1997 are beginning to impact seniors whose health care services are affected by the cuts. Seniors who rely on Medicare for their health care coverage are losing access to vital services. This legislation is an important first step in fixing some of the problems and help ensure that seniors are getting the health care they need.

What's more, the reimbursement rate cuts by the Balanced Budget Act disproportionately affected Washington state. Washington was one of the most efficient states with regards to waste in the Medicare program, the cuts did not properly account for the differences, and treated each state equally. This bill makes a few steps forward in address this problem.

I urge my colleagues to support this important step forward in making needed changes to our Medicare program.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of H.R. 3075, a bill refining the Medicare provisions of the Balanced Budget Act of 1997. This is a good bill, and with a few corrections in conference can become an even better bill.

When the Congress passed the BBA in 1997, we were unaware of the impact the Medicare provisions would have on Medicare providers, specifically the nation's teaching hospitals. As the BBA has been implemented, the reductions in Medicare have been far greater than we had proposed or anticipated. Therefore, it is appropriate for us to revisit this provision of BBA and not allow unintended consequences to adversely affect our nation's

medical education and teaching hospitals including those in my district in Texas.

I am pleased that the bill includes provisions which are similar to legislation which I have introduced as it relates to medical residency funding and allied health services funding. Specifically, the bill includes two provisions affecting the wage base for medical residents. Earlier this year, a study conducted by the *New England Journal of Medicine* determined that the existing Graduate Medical Education system grossly distorted payments to medical residents in different regions of the country. For instance, the study found that residents in New York were paid seven times the rate as residents at Memorial-Hermann Hospital in my district under the old formula. The bill before us today includes a provision from legislation introduced by Mr. CARDIN of Maryland and myself to equalize such payments based upon regional wage indices.

I am also pleased that the bill includes a provision from a bill introduced by Mr. CRANE of Illinois and myself which would provide for Medicare managed care companies to pay for allied health and skilled nursing graduate medical education at our nation's teaching hospitals. Unfortunately, the bill nets out such payments at \$60 million per year from the physician portion of GME and I am hopeful that this can be corrected in conference with the Senate.

Finally, this bill corrects reductions in Indirect Medical Education funding and increases funding for Skilled Nursing Facilities. This bill also addressed problems related to the outpatient PPS for cancer hospitals by exempting such hospitals for two years and does not increase beneficiary copayments. And the bill provides a temporary two year pass through for orphan drugs, cancer drugs, and new drugs and devices which for many patients may be their only hope. The bill also makes needed corrections in the home health care provisions of the BBA and begins to address the physical and speech therapy caps. And, the bill extends coverage for immunosuppressive drugs until October 1, 2004 and increases the payment rate for pap smears, requiring the Secretary of HHS to review payment rates periodically.

Mr. Speaker, this is a good bill which with a few minor corrections in conference can become an even better bill and I urge my colleagues to support its passage.

Mr. SANDLIN. Mr. Speaker, I rise in strong support of H.R. 3075, the Medicare Balanced Budget Refinements Act. H.R. 3075 provides much needed relief for nearly all health care sectors suffering from the unintended consequences of the 1997 Balanced Budget Act. Providing this relief is a bipartisan priority and warrants no less than our immediate attention.

Health care providers in the First Congressional District of Texas have been hit exceptionally hard by the BBA changes. Medicare issues are particularly important to East Texas and other rural areas around this country. With the Medicare population making up over 18% of the rural population, rural hospitals depend more on Medicare reimbursements than their urban counterparts. I have worked hard to make sure rural health care receives the special attention it deserves in this debate. I am pleased that many of my priorities for rural health care relief were adopted by the committee in writing this bill. While the bill may not be everything I had wanted, it is certainly a first step in the right direction.

In particular, I am pleased the bill includes some rural specific provisions to help maintain access to small rural hospitals. The bill permits rural hospitals with fewer than 50 beds to apply for grants of up to \$50,000 to meet the costs associated with implementing new prospective payment systems. The Medicare Dependent Hospital Program, established to assist small rural hospitals that are not classified as sole community hospitals and that treat relatively high proportions of Medicare patients, also is extended through fiscal year 2005 in this bill. In addition, provisions to strengthen the Critical Access Hospital Program are included as well. These hospitals are small, rural, limited service hospitals that are geographically remote, rural nonprofit, or public hospitals that are certified by states as a necessary provider. These sources of health care are critical to my constituents and will benefit from the enactment of H.R. 3075.

Mr. Speaker, while I am satisfied with many of the bill's provisions, it does not go far enough in several areas. First, H.R. 3075 does help home health care providers by delaying the 15% reduction until one year after implementation of the PPS. However, I urge my colleagues to include language in the conference bill that would continue Periodic Interim Payments to assist small agencies with cash flow problems. The other body has included language in its bill that would preserve this system for a year after imposition of the PPS. I strongly support this provision and urge its inclusion in the final bill.

I also support efforts to provide more relief for nursing homes. This bill only addresses payment problems for these facilities through a six-month fix. This is insufficient assistance and will not give nursing homes enough time to adjust to the PPS. I hope this provision will be extended in the final product as well.

Although H.R. 3075 falls short in these areas, as well as in the area of prescription drugs where there is a total lack of language to help our seniors, I believe it is essential to pass this legislation as a first step toward reform. I will continue to fight for more improvements to Medicare as we enter the new year, but I urge all of my colleagues to vote today for this overdue relief.

Mr. TERRY. Mr. Speaker, I support H.R. 3075, the Medicare Balanced Budget Refinement Act, even though I have some reservations about a few of its provisions.

When I visited my Omaha district over the past year, I frequently met with Medicare beneficiaries, hospital administrators and representatives of other health care providers. The stories and data they provided me about some of the adverse impacts of the Balanced Budget Act of 1997 (BBA), including restrictions on services to patients, were compelling. I share the information I received during these visits with Chairman THOMAS of the Subcommittee on Health of the Ways and Means Committee. I told him that Medicare benefits must meet the needs of our growing senior population, and services provided through Medicare must be fairly reimbursed.

I am pleased that this legislation is responsive to Nebraskans' concerns. This is well-planned, comprehensive reform legislation that addresses the needs of both retirees and health care institutions involved in Medicare. It also respects the importance of maintaining Medicare's long-term financial solvency.

I do not agree with all of the provisions in this bill that affect teaching hospitals. Specifi-

cally, the Indirect Medical Education payment freeze proposal and the per resident averaging provision for Graduate Medical Education would have a mixed impact on hospitals. Some smaller teaching hospitals will lose considerable resources they need to train our future doctors.

I also do not agree with how the Health Care Financing Administration (HCFA) has imposed restrictions on Medicare providers that have gone well beyond the requirements of the Balanced Budget Act. Restrictions adopted administratively will reduce Medicare spending by an estimated \$80 billion more over the life of the BBA than was anticipated by Congress. I have joined a number of my colleagues in protesting HCFA's over-reaching regulations.

I also believe that HCFA should be more aggressive in eliminating the billions of dollars of waste and abuse that it acknowledges occur every year. I am familiar with the practices of many private insurers headquartered in the Midwest who have used private recovery services in a successful effort to identify improper payments. HCFA use of a similar approach could save billions. As a member of the Government Reform Committee concerned about waste in government programs, I will continue to encourage HCFA to adopt more such private sector business practices, even if only on a trial basis.

Mr. Speaker, despite my reservations, I support H.R. 3075 and urge its approval.

Mr. RAMSTAD. Mr. Speaker, I rise today in strong support of this critically important legislation.

When we passed the Balanced Budget Act of 1997, we expected savings to be accrued to the system. While GAO and MedPAC report that there has been no loss in access to services for seniors, we have heard from providers across the country that some of these changes have significantly impacted providers, and that relief is necessary. Relief is particularly needed since the Administration is draining close to an additional \$100 billion out of the system—something which no Member of this House ever envisioned!

I would like to take a moment to highlight some of the important provisions included in H.R. 3075. There are a number of very important sections addressing payments to hospitals, all of which I support. I greatly appreciate the inclusion of a technical "fix" for Minnesota's Medicaid Disproportionate Share Hospital (DSH) problem and improvements to funding for graduate medical education.

Hospitals and patients will also be helped through the provisions to create an "outlier" adjustment for high-acuity patients. And, as Chair of the Medical Technology Caucus, I know hospitals and patients will benefit from the new adjusted payments for innovative medical devices, drugs and biologicals in the hospital outpatient prospective payment system.

I also support the provisions in the bill which will impact Skilled Nursing Facilities (SNF's) by addressing the costs for caring for medically-complex patients and those who need prosthetic devices, chemotherapy drugs and ambulance and emergency services. I know many therapy providers in my state appreciate the adjustments to the outpatient rehabilitation limits.

Being from Minnesota, which has experienced egregiously low payments due to our ability to provide quality care efficiently, I am

particularly supportive of the efforts in the bill to boost Medicare+Choice payments. And, until we can reform the system and significantly improve the funding formula so more Minnesotans have the opportunity to participate in Medicare+Choice, I appreciate the two year extension of the cost contract plans.

I also strongly support the provisions in the bill to ensure frail, elderly seniors will continue to enjoy the services they receive through EverCare and similar programs. EverCare is an effective health care option for the frail elderly living in nursing homes, and along with critical report language that will accompany the bill, this mention of EverCare will stand as a reminder to HCFA to make accommodations necessary for ensuring that frail elderly seniors have continued access to the special, intensive care EverCare provides.

Similarly, I support the section of the bill that extends the life of the Community Nursing Organization demonstration projects for another two years and requires the Administration to submit a comprehensive report on the effectiveness of these programs.

Lastly, I support the provisions in the bill to limit the Administration's use of the Inherent Reasonableness (IR) authority. I am hopeful they will send a strong signal to HCFA to curtail its abusive use of the authority until we have a chance to review GAO's upcoming report on it.

This bill includes significant relief that will help ensure access to care for American seniors. I strongly urge my colleagues to vote for this critically important legislation!

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 3075, the Medicare Balanced Budget Refinement Act. H.R. 3075 increase payments to Medicare providers by approximately \$11.5 billion over five years and addresses lawmaker and health care provider concerns that reforms made in the 1997 Balanced budget Act adversely affects access to health care services for Medicare beneficiaries.

Like many of my colleagues, I have been contacted by several health care providers in my district who were concerned about the cuts in the Balanced Budget Act of 1997. Although everyone supported a balanced budget agreement, no one intended for the consequences to adversely affect the health care system.

The 1997 BBA made comprehensive reforms to Medicare that included expanding Medicare's coverage of preventive benefits; providing additional choice for seniors; implementing new tools to combat waste, fraud, and abuse; and establishing new initiatives to strengthen Medicare's fee-for-service payment system.

Although these reforms were necessary to control Medicare spending, some of the effects have resulted in providers not receiving their reimbursements in an efficient manner. This bill seeks to resolve some of these issues.

This bill provides hospitals with greater flexibility to participate in Medicare as critical access or sole community hospitals and includes a number of provisions designed to strengthen and increase flexibility for critical access hospitals. It also eases the financial burden on hospitals that care for a disproportionate share of low-income individuals.

This bill includes measures designed to ensure the availability of home care services. It also increases payments for medically com-

plex skilled nursing facility patients and adopts a more equitable structure for direct Graduate Medical Education payments to teaching hospitals nationwide.

H.R. 3075 makes a number of changes to the Medicaid program, including authorizing states to create a new payment system for community health centers and rural clinics that recognize the cost of providing health coverage in rural and underserved areas.

I support this bill and I urge my colleagues to support it as well.

Mr. MCGOVERN. Mr. Speaker, I rise today in support of providing relief to America's home health patients, to those people living in nursing homes and those people that use our teaching and community hospitals. In 1997, I voted against the Balanced Budget Act because it would cut \$115 billion out of Medicare. However, these cuts were much worse than anticipated and they are projected to get worse.

Today we are debating H.R. 3075, a bill to give some money back to those health care delivery systems that were hit so hard by the BBA. The specifics of these cuts are staggering. Hospitals in Massachusetts are projected to lose \$1.7 billion over five years. However, almost 90% of the cuts have yet to take place. Community hospitals operating margins will decrease 42% from 1997 to 2001. This means that each hospital is reimbursed less per patient than it costs them to treat each patient. The BBA also set an arbitrary reimbursement cap for rehabilitation therapy. We have heard anecdotal stories for three years about how patients are reaching their rehabilitation caps after a few months. Once these caps are reached, the patient cannot continue to receive rehabilitation therapy that is reimbursed by Medicare. Once again, the patient suffers because of these arbitrary caps. And home health agencies are also hurt by the BBA cuts. Twenty agencies in Massachusetts have closed their doors since 1997 and are losing \$160 million annually. The end result of these cuts—the hospital, nursing home and home health cuts—is that services for patients decrease.

While I will vote for this bill, the process under which this bill has been brought to the floor disheartens me and I am distressed that the bill is so limited in scope. We should be debating the merits of this bill under the normal rules of the House, not under suspension. We should be able to debate specific amendments. For example, I introduced a bill—along with Congressmen BOB WEYGAND, TOM COBURN and VAN HILLEARY—to provide supplemental funding for home health agencies that treat outliers, or the costliest and sickest patients that can still receive home health care. Because of the way this bill was brought to the floor, this House is prohibited from debating other, meritorious BBA-fix proposals.

I am somewhat encouraged by the ability of the majority party, and in particular the Chairman of the Ways and Means Subcommittee on Health, to admit their mistakes and work to rescind some of these irresponsible Medicare cuts. However, we can do more. I urge my colleagues to vote yes for this bill but to work the leadership of the House, the Senate and the President to provide more relief for the Medicare patients who are hurting because of these irresponsible cuts.

Mr. PORTMAN. Mr. Speaker, I am delighted that the FY 2000 Foreign Operations Appro-

priations bill we are considering today, H.R. 3196, earmarks at least \$13 million to carry out the provisions of the Tropical Forest Conservation Act, which I introduced with JOHN KASICH and Lee Hamilton and was signed into law last year.

The Tropical Forest Conservation Act expands President Bush's Enterprise for the Americas Initiative—EAI—and provides a creative market-oriented approach to protect the world's most threatened tropical forests on a sustained basis.

Tropical forests provide a wide range of benefits, literally affecting the air we breathe, the food we eat, and medicines that cure disease. They harbor 50–90% of the Earth's terrestrial biodiversity. They act as "carbon sinks", absorbing massive quantities of carbon dioxide from the atmosphere, thereby reducing greenhouse gases. They regulate rainfall on which agriculture and coastal resources depend, which is of great importance to regional and global climate. And they are the breeding grounds for new drugs that can cure disease.

The Tropical Forest Conservation Act builds on the EAI's successes in the early 1990s, and links two significant facts of life. First, important tropical forests are disappearing at a rapid rate between 1980 and 1990, 30 million acres of tropical forests—an area larger than the State of Pennsylvania—were lost every year. And Second these forests are located in less developed countries that have a hard time repaying their debts to the United States. In fact, about 50% of the world's tropical forests are located in four countries—Indonesia, Peru, Brazil and the Congo—and these countries have in the aggregate over \$5 billion of U.S. debt outstanding.

The Tropical Forest Conservation Act gives the President authority to reduce or cancel U.S. A.I.D., and or P.L. 480 debt owed by any eligible country in the world to protect its globally or regionally important tropical forest. These "debt-for-nature" exchanges achieve two important goals. They relieve some of the economic pressure that is fueling deforestation, and they provide funds for conservation efforts in the eligible country. These is also the power of leveraging—one dollar of debt reduction in many cases buys two or more dollars in environmental conservation. In other words, the local government will pay substantially more in local currency to protect the forest than the cost of the debt reduction to the U.S. government.

For any country to qualify, it must meet the same criteria established by Congress under the EAI, including that the government has to be democratically elected, cooperating on international narcotics control matters, and not supporting terrorism or violating internationally recognized human rights. Furthermore, to ensure the eligible country meets minimum financial criteria to meet its new obligations under the restructured terms, it must meet the EAI criteria requiring progress on economic reforms.

The Tropical Forest Conservation Act is a cost-effective way to respond to the global crisis in tropical forests, and the groups that have the most experience preserving tropical forests agree. It is strongly supported by The Nature Conservancy, Conservation International, the World Wildlife Fund, the Environmental Defense Fund and others. Many of these organizations have worked with us very closely over the last two years to produce a good bipartisan initiative.

I am delighted that H.R. 3196 includes these funds that will be used to preserve and protect millions of acres of important tropical forests worldwide in a fiscally responsible fashion.

Mr. SHAYS. Mr. Speaker, as an original co-sponsor of H.R. 3075, the Medicare Balanced Budget Refinement Act, I rise in strong support of its passage today.

Our seniors, hospitals and providers have spoken in a loud, clear voice. Today we have the opportunity to answer their calls for relief by dedicating \$11.5 billion over the next five years to strengthening Medicare for all seniors.

The Medicare Balanced Budget Refinement Act, introduced by Representative BILL THOMAS of California, makes a number of important adjustments to the Balanced Budget Act of 1997 (BBA 97) designed to ensure seniors have access to the care they need.

H.R. 3075 eases the financial burden on hospitals that care for a disproportionate share of low-income individuals, and includes measures to ease the transition for outpatient hospitals switching to the new payment system established by BBA 97. In addition, the bill includes a number of provisions to ensure the availability of home health services, increases payments for medically complex skilled nursing facility patients, and creates separate therapy caps for physical and speech therapy on a per-facility rather than a per-beneficiary basis.

In 1997, we passed the Balanced Budget Agreement (BBA 97) which was an important first step in placing Medicare on firm financial footing while giving seniors options in how they receive care.

BBA 97 was more successful at slowing the growth of Medicare than even Congress envisioned when we passed the legislation in 1997. In 1998, the growth of Medicare spending slowed sharply, and outlays for the program actually declined by 2 percent during the first six months of fiscal year 1999—representing the first spending decrease in the program's history.

We need to pass H.R. 3075 to ensure our success in slowing the growth of Medicare does not come at the expense of our seniors' health.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support H.R. 3075, a vital, common-sense piece of legislation.

Mr. ADERHOLT. Mr. Speaker, I would like to lend my support to H.R. 3075, the Medicare Balanced Budget Refinement Act. This bill represents an important first step in strengthening the long-term future of the Medicare program.

The hospitals in my district are in serious financial trouble. These hospitals, as well as all of the others in Alabama are struggling to make up shortfalls in the millions of dollars, but they refuse to compromise the quality of care they provide. The provisions of this legislation help rural hospitals, and I am supporting the bill, but it is only a first step.

Balancing the budget is important, but we need to periodically examine the effects of previous legislation. Now, the evidence is pouring in from all over the country: we need immediate relief in the form of this bill and we must take an even deeper look early next year.

Thank you Congressman THOMAS for recognizing the enormity of the consequences. Let's

pass this legislation today and come back in January prepared to find a permanent solution to this health care crisis.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Texas (Mr. ARCHER) that the House suspend the rules and pass the bill, H.R. 3075, as amended.

The question was taken.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 25, not voting 20, as follows:

[Roll No. 573]

YEAS—388

Abercrombie	Collins	Goodling
Aderholt	Combest	Gordon
Allen	Condit	Goss
Andrews	Conyers	Graham
Archer	Cook	Granger
Armey	Cooksey	Green (TX)
Bachus	Costello	Green (WI)
Baird	Cox	Greenwood
Baker	Crane	Gutierrez
Baldacci	Cubin	Gutknecht
Baldwin	Cummings	Hall (OH)
Ballenger	Cunningham	Hall (TX)
Barcia	Danner	Hansen
Barr	Davis (FL)	Hastings (FL)
Barrett (NE)	Davis (IL)	Hayes
Barrett (WI)	Davis (VA)	Hayworth
Bartlett	Deal	Hefley
Barton	DeFazio	Herger
Bass	DeGette	Hill (IN)
Bateman	Delahunt	Hill (MT)
Becerra	DeLauro	Hilleary
Bentsen	DeLay	Hilliard
Berkley	DeMint	Hinojosa
Berman	Deutsch	Hobson
Berry	Diaz-Balart	Hoefel
Biggert	Dicks	Hoekstra
Bilbray	Dingell	Holden
Bilirakis	Dixon	Holt
Bishop	Dooley	Hooley
Blagojevich	Doolittle	Horn
Bliley	Doyle	Hostettler
Blumenauer	Dreier	Houghton
Blunt	Duncan	Hoyer
Boehkert	Dunn	Hulshof
Boehner	Edwards	Hunter
Bonilla	Ehlers	Hutchinson
Bonior	Ehrlich	Hyde
Bono	Emerson	Inslee
Borski	English	Isakson
Boswell	Eshoo	Istook
Boucher	Etheridge	Jackson (IL)
Boyd	Evans	Jackson-Lee
Brady (PA)	Everett	(TX)
Brady (TX)	Ewing	Jefferson
Brown (FL)	Farr	Jenkins
Brown (OH)	Fattah	John
Bryant	Filner	Johnson (CT)
Burr	Fletcher	Johnson, E. B.
Burton	Foley	Jones (NC)
Buyer	Ford	Jones (OH)
Callahan	Fossella	Kaptur
Camp	Fowler	Kasich
Campbell	Frank (MA)	Kelly
Canady	Franks (NJ)	Kildee
Cannon	Frelinghuysen	Kilpatrick
Capps	Frost	Kind (WI)
Capuano	Gallely	King (NY)
Cardin	Ganske	Kingston
Carson	Gejdenson	Klecza
Castle	Gekas	Knollenberg
Chabot	Gephardt	Kolbe
Chambliss	Gibbons	Kuykendall
Chenoweth-Hage	Gilchrest	LaFalce
Clayton	Gillmor	LaHood
Clement	Gilman	Lampson
Clyburn	Gonzalez	Lantos
Coble	Goode	Largent
Coburn	Goodlatte	Larson

Latham	Pease	Smith (TX)
LaTourette	Pelosi	Smith (WA)
Lazio	Peterson (MN)	Snyder
Leach	Peterson (PA)	Souder
Lee	Petri	Spence
Levin	Phelps	Spratt
Lewis (CA)	Pickering	Stabenow
Lewis (GA)	Pickett	Stearns
Lewis (KY)	Pitts	Stenholm
Lipinski	Pombo	Strickland
LoBiondo	Pomeroy	Stump
Lofgren	Porter	Stupak
Lucas (KY)	Portman	Sununu
Lucas (OK)	Price (NC)	Sweeney
Luther	Pryce (OH)	Talent
Maloney (CT)	Quinn	Tancredo
Manzulio	Radanovich	Tanner
Mascara	Rahall	Tauscher
Matsui	Ramstad	Tauzin
McCarthy (NY)	Rangel	Taylor (MS)
McCollum	Regula	Terry
McCrery	Reynolds	Thomas
McGovern	Riley	Thompson (CA)
McHugh	Rivers	Thompson (MS)
McIntosh	Roemer	Thornberry
McIntyre	Rogan	Thune
McKeon	Rogers	Thurman
McKinney	Rohrabacher	Tiahrt
McNulty	Ros-Lehtinen	Tierney
Meek (FL)	Rothman	Toomey
Meeks (NY)	Roukema	Trafigant
Menendez	Roybal-Allard	Turner
Metcalf	Royce	Udall (CO)
Millender-	Rush	Udall (NM)
McDonald	Ryan (WI)	Upton
Miller (FL)	Ryun (KS)	Velazquez
Miller, Gary	Sabo	Vento
Minge	Salmon	Visclosky
Mink	Sanchez	Vitter
Moakley	Sanders	Walden
Moore	Sandlin	Walsh
Moran (KS)	Sawyer	Wamp
Moran (VA)	Saxton	Waters
Morella	Schaffer	Watkins
Murtha	Schakowsky	Watt (NC)
Myrick	Scott	Watts (OK)
Napolitano	Sensenbrenner	Waxman
Neal	Sessions	Weldon (FL)
Nethercutt	Shadegg	Weldon (PA)
Ney	Shaw	Weller
Northup	Shays	Wexler
Nussle	Sherman	Weygand
Oberstar	Sherwood	Whitfield
Obey	Shimkus	Wicker
Olver	Shows	Wilson
Ortiz	Shuster	Wise
Ose	Simpson	Wolf
Oxley	Sisisky	Woolsey
Packard	Skeen	Wu
Pallone	Skelton	Wynn
Pascrell	Smith (MI)	Young (AK)
Pastor	Smith (NJ)	Young (FL)

NAYS—25

Ackerman	Kucinich	Payne
Coyne	Lowey	Sanford
Hunter	Maloney (NY)	Serrano
Crowley	Markey	Slaughter
Doggett	McDermott	Stark
Engel	Miller, George	Towns
Forbes	Nadler	Weiner
Hinchee	Owens	
Kennedy	Paul	
Klink		

NOT VOTING—20

Bereuter	Kanjorski	Mollohan
Calvert	Linder	Norwood
Clay	Martinez	Reyes
Cramer	McCarthy (MO)	Rodriguez
Dickey	McInnis	Scarborough
Hastings (WA)	Meehan	Taylor (NC)
Johnson, Sam	Mica	

□ 1200

Mr. KLINK and Mr. TOWNS changed their vote from "yea" to "nay."

Mr. RUSH changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill to amend titles

XVIII, XIX, and XXI of the Social Security Act to make corrections and refinements in the medicare, medicaid, and State children's health insurance programs, as revised by the Balanced Budget Act of 1997."

A motion to reconsider was laid on the table.

Stated for:

Ms. MCCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 573, on H.R. 3075, I was unavoidably detained. Had I been present, I would have voted "yes."

Mr. MICA. Mr. Speaker, on rollcall No. 573, I was unavoidably detained. Had I been present, I would have voted "yea."

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I rise for the purpose of inquiring from the majority leader the schedule for the remainder of the week and for next week.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I am pleased to announce that we have completed legislative business for the week. I thank all my colleagues for their hard work and patience this past week as we labored to wrap up the legislative session.

The House will next meet on Monday November 8 at 12:30 p.m. for morning hour, and at 2 o'clock p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices later today. On Monday we do not expect recorded votes until 6 o'clock p.m.

On Tuesday, November 9, the House will take up H.R. 3073, the Fathers Count Act of 1999, and H.R. 1714, the Electronic Signatures in Global National Commerce Act, both subject to a rule. We are also likely to consider a number of bills under suspension of the rules and any appropriations business ready for consideration.

Mr. Speaker, authorizing committees are hard at work wrapping up key bills with their Senate counterparts, so we expect a number of conference reports next week, including H.R. 1554, the Satellite Home Viewer Act, H.R. 100, the FAA Reauthorization Act, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, and H.R. 1180, the Work Incentives Improvement Act of 1999.

Mr. Speaker, the House will also pass a rule allowing suspensions on any day of the week, provided there are two hours of prior notification to the House. We will, of course, consult the minority leader should we add suspensions to Wednesday's schedule.

Mr. Speaker, we are obviously making good progress on our appropriations business. The continuing resolution passed by the Congress this week will be in effect until November 10, and

we are all working hard to finish our business by that date. I will, of course, try to keep Members apprised of any scheduling changes as soon as we have that information.

Mr. Speaker, with that I want to thank the gentleman for yielding.

Mr. BONIOR. I thank my colleague for his information. We can assume late evenings until we finish, is that a relatively accurate assessment of where we are in the process, until we finish this session?

Mr. ARMEY. Yes, I think Members should understand that we will be coming back Monday night; we would be working Monday night, Tuesday, and hoping to finish on Wednesday. All the conferees on the various appropriations bills are going to be working over the weekend and working hard. So we should expect to see long days, perhaps periods where we go into recess subject to the call of the Chair.

These are frustrating times, but they are times where once the logistical work of moving paperwork and these things are fulfilled, and with any good fortune and good work and the continued cooperation across the aisle and across the long corridor, hopefully we can meet our objective to complete our work by Wednesday, sometime in the evening.

Mr. BONIOR. I thank the gentleman.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report to accompany the bill, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ADJOURNMENT TO MONDAY, NOVEMBER 8, 1999

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GUTKNECHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GOSS) is recognized for 5 minutes.

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CRITICS QUESTION USEC'S REQUEST FOR \$200 MILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I rise today to speak about an issue that is of great importance to our Nation and I believe to our Nation's national security.

A few months ago we chose unwisely, I believe, to privatize the uranium enrichment industry, taking this from a government-owned and operated industry and turning it over to the private sector.

Now, the Government supposedly received about \$1.9 billion from the sale of this industry, but immediately after privatization, or shortly after privatization, we forced the taxpayers to spend \$325 million to keep a deal with the Russians, enabling us to bring materiel from their dismantled warheads into our country. This private industry is now asking for an additional \$200 million bailout from this Congress and from the taxpayer.

Jonathan Riskind, who writes for the Columbus Dispatch, has recently authored an article on this privatization arrangement and the request for \$200 million, and I would like to share some of the comments that were contained in Mr. Riskind's Columbus Dispatch article.

He begins by saying the Federal corporation that was created to cut the costs of running Southern Ohio's uranium enrichment plant wants a \$200 million bailout from the taxpayer. Critics, ranging from lawmakers to arms control experts, say the request is further evidence, further evidence, that officials made a bad decision in privatizing the United States Enrichment Corporation.

At its plants in Piketon, Ohio, and in Paducah, Kentucky, USEC converts

low-grade Russian uranium into enriched uranium to be used for fuel for nuclear power plants as part of the Swords-Into-Plowshares deal entered into with Russia in 1993.

Mr. Riskind further says that this bailout request might intensify the push for congressional hearings about the Clinton administration's decision to push forward with privatization of the Nation's uranium enrichment operations. A privatization investigation launched by the House Committee on Commerce was first disclosed in August by the Columbus Dispatch.

Mr. Speaker, what we have here is a case where a company has been privatized and over the course of the last year, they have given dividends to their private investors of about \$100 million, dividends which exceeded the profits of that company. They also are paying exceedingly high salaries to their executive staff, in some cases including stock options worth well over \$2 million. They also have spent this last year about \$100 million to purchase back their own stock in order to prop up the value of their own stock, and yet they are now coming to the taxpayers of this country saying we need a \$200 million bailout or else we may have to withdraw as the executive agent of the Russian HEU deal.

This, in my judgment, is a rip-off of the taxpayer, and I plead with the Members of this body not to let this happen. If this private company wants a \$200 million bailout from the taxpayer, there ought to be some strings attached. They ought to open up their books. We ought to know exactly why they are paying such exceedingly high dividends, dividends which exceed the profits of the company, why they are paying such high executive salaries, why they spent \$100 million to purchase back their own stock, and then they are crying that without a government bailout they may have to withdraw as the executive agent of this exceedingly important national security issue.

I plead with my colleagues to investigate this issue. I know it is esoteric, I know it is complex, I know it is not easily understood; but it is a matter that is of critical importance to the national security of this Nation, and communities may face economic decimation if we allow this corporation to continue to look after itself and its employees and its shareholders, and to ignore what is right and best for this country and for our local domestic workers and for the local communities who have borne the burden of winning the Cold War for this country over the years.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

PROTEST TRADE POLICIES WITH PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, most Americans and, for that matter, most Members of Congress probably have not perhaps until recently heard of Falun Gong. I had never heard of it until last summer, when the People's Republic of China banned it and started throwing thousands of people in jail for practicing their faith.

It is hardly surprising, Mr. Speaker, that China systematically is arresting and torturing and even killing its own citizens for practicing Falun Gong. After all, this is the same gang of dictators that persecutes Christians, that tolerates, maybe even encourages, forced abortions, the exact same regime that had the People's Liberation Army crush hundreds of democracy advocates 10 years ago at Tiananmen Square in Beijing.

But even though this latest purge is completely in character, it is a perfect illustration of the fact that 10 years of giving the Chinese government trading privileges with the United States, giving them most-favored-nation status, still has not brought about the rule of law in China.

I cannot recall ever seeing less respect for human life, nor do I think there is better evidence to contradict the incessant drum beat from corporate America and the Republican allies in Congress that free trade is the magic bean that is going to sprout democracy in China. There is simply no evidence for that, because when Beijing decided to make practicing Falun Gong a capital offense, which is exactly what the rubber-stamped Chinese Congress did last week, we see that life in the People's Republic of China is exactly the same as it was before American CEOs streamed into Shanghai last month to celebrate 50 years of communism. Topping off this event was a presentation by one major American CEO of a bust of Abraham Lincoln to Chinese President Jiang Zemin.

Regardless of what the business community or the lawyers at the Commerce Department or their Republican allies tell us, our trade with China is completely one-sided. Just look at our trade deficit figures and tell any of us otherwise. Walk into a Wal-Mart, count the number of items that are stamped "made in China," and you can see the picture. If you are still not convinced, then read the administration's own report on the effects of a WTO deal with China on our economy.

□ 1215

That report tells us that even under the best possible circumstances, which might mean that the totalitarian government actually lives up to the promises they made any time in the last 10 years to our government, even under those circumstances, the best of cir-

cumstances, our exports to China would barely increase and our trade deficit, even under the best of circumstances, would continue to balloon out of control.

Mr. Speaker, this not a report by a college student or a Washington think tank, this is a determination of our own International Trade Commission. These are the men and women that our constituents pay to analyze just what kind of deal we are getting from letting China dump its goods here, from letting it keep our goods and services out of their market.

The men and women of the ITC are telling us that a WTO deal for China could not help our economy any more than a WTO deal for Mars would help stop the factory closings or help sell American cars or help sell American planes to China's 1 billion consumers.

That is because there are not really 1 billion consumers in the People's Republic of China. That is not how corporations of the United States look at China. There are 1 billion potential low-wage workers. That is what excites American corporations. The average person in China makes less than \$800 a year, and we are supposed to believe they are going to buy our products. Even the ITC has concluded that that is a preposterous assumption.

Mr. Speaker, before we close one more factory, before we permit one more forced abortion in China, before we allow China to continue to operate its slave labor and child labor camps and sell goods to the United States, we need to stop kidding ourselves and get out of the business of trading with dictators, because as I speak, there are thousands of men and women in China who are being beaten and killed for choosing to believe in ideals that we take for granted in this country, ideals from Abraham Lincoln that Jiang Zemin really does not admire, clearly, whether it is our faith in God, our right to vote, or simply wanting to go on an early morning jog.

I urge all of my colleagues to protest and oppose any more trading privileges with the People's Republic of China until its government proves it actually is capable of respecting law.

INTRODUCTION OF PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise today to share with my colleagues some information that they probably already know, but they need to be reminded of.

Recently there have been a number of reports, this one happens to be from MSNBC, about what is happening in America relative to drug prices. The headline was "High Drug Prices Burden Many Seniors." "The cost of medicine

for elderly people far outstrips inflation," according to the Associated Press.

These stories are being repeated around the country. CNN and the New York Times did a story on this, and a number of publications have reinforced the point that Americans in general, seniors in particular, are paying far too much for prescription drugs.

I would like to read, Mr. Speaker, excerpts from a letter to the community from George Halverson. George Halverson is the President and CEO of HealthPartners. It was printed in the Minneapolis Star and Tribune on 10/29/99.

Let me just read from this: "The cost of prescription drugs varies to an amazing degree between countries. If you have a stomach ulcer and your doctor says you need to be on Prilosec, you will probably pay about \$99.95 for a 30-day supply in the Twin Cities. But, if you were vacationing in Canada and decided to fill your prescription there, you would pay only \$50.88. Or even better, if you are looking for a little warmer weather south of the border in Mexico, the same 30-day supply would only cost you \$17.50. That's for the same dose, made by the same manufacturer.

If we could get only half the price break that Canadians get, our plan, referring to HealthPartners, "our plan alone could have saved our members nearly \$35 million last year."

He goes on to say, "When the North American Free Trade Agreement, NAFTA, was passed by Congress to allow free trade between the United States and our neighboring countries, HealthPartners decided to follow the lead of Minnesota Senior Federation and buy our drugs in Canada at Canadians' prices. We were disappointed to learn of the rules and the practices which kept us from succeeding. There is no free trade in prescription drugs. We need to do something about this."

Mr. Halverson, we agree. It is outrageous, when our seniors have learned now that they can go across the border and save 30, 40, 50, and even 60 percent on prescription drugs, the outrageous part is they are stopped from doing that by our own FDA.

Mr. Speaker, here is what happens when seniors or any American consumer learns that they can get prescription drugs from across the border. Seniors in Minnesota have tried to set up relationships with their local pharmacists, and we need the local pharmacist to be involved in this.

They have learned that they can, using the Internet, using the web, using a fax machine, they can set up correspondent relationships. Many of them are going to the local pharmacy, having a prescription filled there by actually getting the drugs shipped in by parcel post from Canada.

What has happened? The FDA intervenes and they inspect the packages. Then they send a very threatening letter to our seniors and other consumers

who are practicing this method of trying to save some money on prescription drugs.

Let me just read the first paragraph of this letter: "This letter is to advise you that the Minneapolis District of the United States Food and Drug Administration has examined the package addressed to you containing drugs which appear to be unapproved for use in the United States." It goes on to threaten the senior, that if they try to do this again, they could be in big trouble. I would be threatened by that letter, but my parents would be far more threatened by this letter.

Mr. Speaker, this is outrageous. I say it is outrageous because the law, in my opinion, and I think the opinion of legal scholars around the country is fairly clear, the law is section 381, imports and exports. It basically says they have got to give notice to the owner or consignee. Then such articles shall be refused admission.

In other words, if it really is an illegal drug, it can be stopped. But if it is a drug that is otherwise approved in the United States, the FDA is on very thin ice.

Mr. Speaker, there is a difference in opinion in this between myself, between seniors, between consumers groups, and the FDA. Today I am going to introduce legislation which will remove all doubt. It will make it clear that the burden now will be on the FDA that this is an illegal practice, because I am committed and a growing number of Members of Congress are committed to making a very clear statement to the people at the FDA: We will not allow a Federal bureaucracy to stand between American consumers and lower prices. It is wrong, and if there is anything we can do to stop it, we will.

I am introducing the legislation today. I am calling on my colleagues from both sides of the political aisles to join me in this debate. Prescription drugs are too expensive for American consumers in general, and seniors in particular. We can do something about it. We should do it now.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

CONFERENCE REPORT ON H.R. 1555

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 106-457)

The committee of conference on the disagreeing votes of the two Houses on the

amendment of the Senate to the bill (H.R. 1555), to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 2000".

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Intelligence Community Management Account.

Sec. 105. Authorization of emergency supplemental appropriations for fiscal year 1999.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.

Sec. 302. Restriction on conduct of intelligence activities.

Sec. 303. Diplomatic intelligence support centers.

Sec. 304. Protection of identity of retired covert agents.

Sec. 305. Access to computers and computer data of executive branch employees with access to classified information.

Sec. 306. Naturalization of certain persons affiliated with a Communist or similar party.

Sec. 307. Technical amendment.

Sec. 308. Declassification review of intelligence estimate on Vietnam-era prisoners of war and missing in action personnel and critical assessment of estimate.

Sec. 309. Report on legal standards applied for electronic surveillance.

Sec. 310. Report on effects of foreign espionage on the United States.

Sec. 311. Report on activities of the Central Intelligence Agency in Chile.

Sec. 312. Report on Kosova Liberation Army.

Sec. 313. Reaffirmation of longstanding prohibition against drug trafficking by employees of the intelligence community.

Sec. 314. Sense of Congress on classification and declassification.

Sec. 315. Sense of Congress on intelligence community contracting.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Improvement and extension of central services program.

Sec. 402. Extension of CIA Voluntary Separation Pay Act.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Protection of operational files of the National Imagery and Mapping Agency.

Sec. 502. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

Sec. 601. Expansion of definition of "agent of a foreign power" for purposes of the Foreign Intelligence Surveillance Act of 1978.

Sec. 602. Federal Bureau of Investigation reports to other executive agencies on results of counterintelligence activities.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

Sec. 701. Findings.

Sec. 702. National Commission for the Review of the National Reconnaissance Office.

Sec. 703. Duties of commission.

Sec. 704. Powers of commission.

Sec. 705. Staff of commission.

Sec. 706. Compensation and travel expenses.

Sec. 707. Treatment of information relating to national security.

Sec. 708. Final report; termination.

Sec. 709. Assessments of final report.

Sec. 710. Inapplicability of certain administrative provisions.

Sec. 711. Funding.

Sec. 712. Congressional intelligence committees defined.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

Sec. 801. Short title.

Sec. 802. Findings and policy.

Sec. 803. Purpose.

Sec. 804. Public identification of significant foreign narcotics traffickers and required reports.

Sec. 805. Blocking assets and prohibiting transactions.

Sec. 806. Authorities.

Sec. 807. Enforcement.

Sec. 808. Definitions.

Sec. 809. Exclusion of persons who have benefited from illicit activities of drug traffickers.

Sec. 810. Judicial Review Commission on Foreign Asset Control.

Sec. 811. Effective date.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The National Reconnaissance Office.

(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2000, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 1555 of the One Hundred Sixty Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The classified Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2000 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2000 the sum of \$170,672,000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 348 full-time personnel as of September 30, 2000. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 2000 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2001.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2000, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2000, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), \$27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and eval-

uation purposes shall remain available until September 30, 2001, and funds provided for procurement purposes shall remain available until September 30, 2002.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for activities of the Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999.

(a) AUTHORIZATION.—Amounts authorized to be appropriated for fiscal year 1999 under section 101 of the Intelligence Authorization Act for Fiscal Year 1999 (Public Law 105-272) for the conduct of the intelligence activities of elements of the United States Government listed in such section are hereby increased, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased by the 1999 Emergency Supplemental Appropriations Act (Public Law 106-31), for such amounts as are designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(b) RATIFICATION.—For purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414), any obligation or expenditure of amounts appropriated in the 1999 Emergency Supplemental Appropriations Act for intelligence activities is hereby ratified and confirmed, to the extent such amounts are designated by Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2000 the sum of \$209,100,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"LIMITATION ON ESTABLISHMENT OR OPERATION OF DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

"SEC. 115. (a) IN GENERAL.—(1) A diplomatic intelligence support center may not be established, operated, or maintained without the prior approval of the Director of Central Intelligence.

"(2) The Director may only approve the establishment, operation, or maintenance of a diplomatic intelligence support center if the Director determines that the establishment, operation, or maintenance of such center is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

"(b) PROHIBITION OF USE OF APPROPRIATIONS.—Amounts appropriated pursuant to authorizations by law for intelligence and intelligence-related activities may not be obligated or expended for the establishment, operation, or maintenance of a diplomatic intelligence support center that is not approved by the Director of Central Intelligence.

"(c) DEFINITIONS.—In this section:

"(1) The term 'diplomatic intelligence support center' means an entity to which employees of the various elements of the intelligence community (as defined in section 3(4)) are detailed for the purpose of providing analytical intelligence support that—

"(A) consists of intelligence analyses on military or political matters and expertise to conduct limited assessments and dynamic taskings for a chief of mission; and

"(B) is not intelligence support traditionally provided to a chief of mission by the Director of Central Intelligence.

"(2) The term 'chief of mission' has the meaning given that term by section 102(3) of the Foreign Service Act of 1980 (22 U.S.C. 3902(3)), and includes ambassadors at large and ministers of diplomatic missions of the United States, or persons appointed to lead United States offices abroad designated by the Secretary of State as diplomatic in nature.

"(d) TERMINATION.—This section shall cease to be effective on October 1, 2000."

(b) CLERICAL AMENDMENT.—The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 114 the following new item:

"Sec. 115. Limitation on establishment or operation of diplomatic intelligence support centers."

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS.

(a) IN GENERAL.—Section 606(4)(A) of the National Security Act of 1947 (50 U.S.C. 426(4)(A)) is amended—

(1) by striking "an officer or employee" and inserting "a present or retired officer or employee"; and

(2) by striking "a member" and inserting "a present or retired member".

(b) PRISON SENTENCES FOR VIOLATIONS.—

(1) IMPOSITION OF CONSECUTIVE SENTENCES.—Section 601 of the National Security Act of 1947 (50 U.S.C. 421) is amended by adding at the end the following new subsection:

"(d) A term of imprisonment imposed under this section shall be consecutive to any other sentence of imprisonment."

(2) TECHNICAL AMENDMENTS.—Such section 601 is further amended—

(A) in subsection (a), by striking "shall be fined not more than \$50,000" and inserting "shall be fined under title 18, United States Code,";

(B) in subsection (b), by striking "shall be fined not more than \$25,000" and inserting "shall be fined under title 18, United States Code,"; and

(C) in subsection (c), by striking "shall be fined not more than \$15,000" and inserting "shall be fined under title 18, United States Code,".

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION.

(a) ACCESS.—Section 801(a)(3) of the National Security Act of 1947 (50 U.S.C. 435(a)(3)) is amended by striking "and travel records" and inserting "travel records, and computers used in the performance of government duties".

(b) COMPUTER DEFINED.—Section 804 of that Act (50 U.S.C. 438) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) the term 'computer' means any electronic, magnetic, optical, electrochemical, or other high speed data processing device performing logical, arithmetic, or storage functions, and includes any data storage facility or communications facility directly related to or operating in conjunction with such device and any data or other information stored or contained in such device."

(c) APPLICABILITY.—The President shall modify the procedures required by section 801(a)(3) of the National Security Act of 1947 to take into account the amendment to that section made by subsection (a) of this section not later than 90 days after the date of the enactment of this Act.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY.

Section 313 of the Immigration and Nationality Act (8 U.S.C. 1424) is amended by adding at the end the following new subsection:

"(e) A person may be naturalized under this title without regard to the prohibitions in subsections (a)(2) and (c) of this section if the person—

"(1) is otherwise eligible for naturalization;

"(2) is within the class described in subsection (a)(2) solely because of past membership in, or past affiliation with, a party or organization described in that subsection;

"(3) does not fall within any other of the classes described in that subsection; and

"(4) is determined by the Director of Central Intelligence, in consultation with the Secretary of Defense, and with the concurrence of the Attorney General, to have made a contribution to the national security or to the national intelligence mission of the United States."

SEC. 307. TECHNICAL AMENDMENT.

Section 305(b)(2) of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104-293, 110 Stat. 3465; 8 U.S.C. 1427 note) is amended by striking "subparagraph (A), (B), (C), or (D) of section 243(h)(2) of such Act" and inserting "clauses (i) through (iv) of section 241(b)(3)(B) of such Act".

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAMERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE.

(a) DECLASSIFICATION REVIEW.—Subject to subsection (b), the Director of Central Intelligence shall review for declassification the following:

(1) National Intelligence Estimate 98-03 dated April 1998 and entitled "Vietnamese Intentions, Capabilities, and Performance Concerning the POW/MIA Issue".

(2) The assessment dated November 1998 and entitled "A Critical Assessment of National Intelligence Estimate 98-03 prepared by the United States Chairman of the Vietnam War Working Group of the United States-Russia Joint Commission on POWs and MIAs".

(b) LIMITATIONS.—The Director shall not declassify any text contained in the estimate or assessment referred to in subsection (a) which would—

(1) reveal intelligence sources and methods; or

(2) disclose by name the identity of a living foreign individual who has cooperated with United States efforts to account for missing personnel from the Vietnam era.

(c) DEADLINE.—The Director shall complete the declassification review of the estimate and assessment under subsection (a) not later than 30 days after the date of the enactment of this Act.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE.

(a) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Director of Central Intelligence, the Director of the National Security Agency, and the Attorney General shall jointly prepare, and the Director of the National Security Agency shall submit to the appropriate congressional committees, a report in classified and unclassified form providing a detailed analysis of the legal standards employed by elements of the intelligence community in conducting signals intelligence activities, including electronic surveillance.

(b) MATTERS SPECIFICALLY ADDRESSED.—The report shall specifically include a statement of each of the following legal standards:

(1) The legal standards for interception of communications when such interception may result in the acquisition of information from a communication to or from United States persons.

(2) The legal standards for intentional targeting of the communications to or from United States persons.

(3) The legal standards for receipt from non-United States sources of information pertaining to communications to or from United States persons.

(4) The legal standards for dissemination of information acquired through the interception of the communications to or from United States persons.

(c) DEFINITIONS.—As used in this section:

(1) The term "intelligence community" has the meaning given that term under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(2) The term "United States persons" has the meaning given that term under section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

(3) The term "appropriate congressional committees" means the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES.

Not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to Congress a report describing the effects of espionage against the United States, conducted by or on behalf of other nations, on United States trade secrets, patents, and technology development. The report shall also include an analysis of other effects of such espionage on the United States.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE.

(a) IN GENERAL.—By not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the following events in the Republic of Chile:

(1) The assassination of President Salvador Allende in September 1973.

(2) The accession of General Augusto Pinochet to the Presidency of the Republic of Chile.

(3) Violations of human rights committed by officers or agents of former President Pinochet.

(b) DEFINITION.—In this section, the term "appropriate congressional committees" means the Permanent Select Committee on Intelligence and the Committee on Appropriations of the House of Representatives and the Select Committee on Intelligence and the Committee on Appropriations of the Senate.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY.

(a) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate congressional committees a report (in

both classified and unclassified form) on the organized resistance in Kosovo known as the Kosova Liberation Army. The report shall include the following:

(1) A summary of the history of the Kosova Liberation Army.

(2) As of the date of the enactment of this Act—

(A) the number of individuals currently participating in or supporting combat operations of the Kosova Liberation Army (fielded forces), and the number of individuals in training for such service (recruits);

(B) the types, and quantity of each type, of weapon employed by the Kosova Liberation Army, the training afforded to such fielded forces in the use of such weapons, and the sufficiency of such training to conduct effective military operations; and

(C) minimum additional weaponry and training required to improve substantially the efficiency of such military operations.

(3) An estimate of the percentage of funding (if any) of the Kosova Liberation Army that is attributable to profits from the sale of illicit narcotics.

(4) A description of the involvement (if any) of the Kosova Liberation Army in terrorist activities.

(5) A description of the number of killings of noncombatant civilians (if any) carried out by the Kosova Liberation Army since its formation.

(6) A description of the leadership of the Kosova Liberation Army, including an analysis of—

(A) the political philosophy and program of the leadership; and

(B) the sentiment of the leadership toward the United States.

(b) **APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**—As used in this section, the term “appropriate congressional committees” means the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) **FINDING.**—Congress finds that longstanding statutes, regulations, and policies of the United States prohibit employees, agents, and assets of the elements of the intelligence community, and of every other Federal department and agency, from engaging in the illegal manufacture, purchase, sale, transport, and distribution of drugs.

(b) **OBLIGATION OF EMPLOYEES OF INTELLIGENCE COMMUNITY.**—Any employee of the intelligence community having knowledge of a fact or circumstance that reasonably indicates that an employee, agent, or asset of an element of the intelligence community is involved in any activity that violates a statute, regulation, or policy described in subsection (a) shall report such knowledge to an appropriate official.

(c) **INTELLIGENCE COMMUNITY DEFINED.**—In this section, the term “intelligence community” has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION.

It is the sense of Congress that the systematic declassification of records of permanent historical value is in the public interest and that the management of classification and declassification by Executive branch agencies requires comprehensive reform and the dedication by the Executive branch of additional resources.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community,

whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM.

(a) **SCOPE OF PROVISION OF ITEMS AND SERVICES.**—Subsection (a) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u) is amended by striking “and to other” and inserting “, nonappropriated fund entities or instrumentalities associated or affiliated with the Agency, and other”.

(b) **DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.**—Subsection (c)(2) of that section is amended—

(1) by amending subparagraph (D) to read as follows:

“(D) Amounts received in payment for loss or damage to equipment or property of a central service provider as a result of activities under the program.”;

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D), as so amended, the following new subparagraph (E):

“(E) Other receipts from the sale or exchange of equipment or property of a central service provider as a result of activities under the program.”.

(c) **AVAILABILITY OF FEES.**—Subsection (f)(2)(A) of that section is amended by inserting “central service providers and any” before “elements of the Agency”.

(d) **EXTENSION OF PROGRAM.**—Subsection (h)(1) of that section is amended by striking “March 31, 2000” and inserting “March 31, 2002”.

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT.

(a) **EXTENSION OF AUTHORITY.**—Section 2(f) of the Central Intelligence Agency Voluntary Separation Pay Act (50 U.S.C. 403-4 note) is amended by striking “September 30, 1999” and inserting “September 30, 2002”.

(b) **REMITTANCE OF FUNDS.**—Section 2(i) of that Act is amended by striking “or fiscal year 1999” and inserting “, 1999, 2000, 2001, or 2002”.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) **IN GENERAL.**—(1) Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting after section 105A (50 U.S.C. 403-5a) the following new section:

“PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

“SEC. 105B. (a) **EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.**—(1) The Director of the National Imagery and Mapping Agency, with the coordination of the Director of Central Intelligence, may exempt operational files of the National Imagery and Mapping Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

“(2)(A) Subject to subparagraph (B), for the purposes of this section, the term ‘operational files’ means files of the National Imagery and Mapping Agency (hereinafter in this section referred to as ‘NIMA’) concerning the activities of NIMA that before the establishment of NIMA were performed by the National Photographic Interpretation Center of the Central Intelligence Agency (NPIC), that document the means by which foreign intelligence or counterintelligence is collected through scientific and technical systems.

“(B) Files which are the sole repository of disseminated intelligence are not operational files.

“(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

“(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 or 552a of title 5, United States Code;

“(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

“(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

“(i) The Permanent Select Committee on Intelligence of the House of Representatives.

“(ii) The Select Committee on Intelligence of the Senate.

“(iii) The Intelligence Oversight Board.

“(iv) The Department of Justice.

“(v) The Office of General Counsel of NIMA.

“(vi) The Office of the Director of NIMA.

“(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

“(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

“(C) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1) and which have been returned to exempted operational files for sole retention shall be subject to search and review.

“(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after the date of the enactment of this section, and which specifically cites and repeals or modifies its provisions.

“(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that NIMA has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

“(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

“(i) In any case in which information specifically authorized under criteria established by an Executive Order to be kept secret in the interests of national defense or foreign relations is filed with, or produced for, the court by NIMA, such information shall be examined ex parte, in camera by the court.

“(ii) The court shall, to the fullest extent practicable, determine the issues of fact based on sworn written submissions of the parties.

“(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

“(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, NIMA shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsible records currently perform the functions set forth in paragraph (2).

“(II) The court may not order NIMA to review the content of any exempted operational file or

files in order to make the demonstration required under subclause (I), unless the complainant disputes NIMA's showing with a sworn written submission based on personal knowledge or other inadmissible evidence.

“(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

“(vi) If the court finds under this paragraph that NIMA has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order NIMA to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

“(vii) If at any time following the filing of a complaint pursuant to this paragraph NIMA agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

“(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence prior to submission to the court.

“(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every ten years, the Director of the National Imagery and Mapping Agency and the Director of Central Intelligence shall review the exemptions in force under subsection (a)(1) to determine whether such exemptions may be removed from the category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

“(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of the particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

“(3) A complainant that alleges that NIMA has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

“(A) Whether NIMA has conducted the review required by paragraph (1) before the expiration of the ten-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

“(B) Whether NIMA, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.”

(2) The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 105A the following new item:

“Sec. 105B. Protection of operational files of the National Imagery and Mapping Agency.”

(b) TREATMENT OF CERTAIN TRANSFERRED RECORDS.—Any record transferred to the National Imagery and Mapping Agency from exempted operational files of the Central Intelligence Agency covered by section 701(a) of the National Security Act of 1947 (50 U.S.C. 431(a)) shall be placed in the operational files of the National Imagery and Mapping Agency that are established pursuant to section 105B of the National Security Act of 1947, as added by subsection (a).

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104-93; 109 Stat. 974), as amended by section 502 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105-107; 111 Stat. 2262), is further amended by striking “for fiscal years 1998 and 1999” and inserting “for fiscal years 2000 and 2001”.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. EXPANSION OF DEFINITION OF “AGENT OF A FOREIGN POWER” FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

Section 101(b)(2) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(2)) is amended—

(1) in subparagraph (C), by striking “or” at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph (D):

“(D) knowingly enters the United States under a false or fraudulent identity for or on behalf of a foreign power or, while in the United States, knowingly assumes a false or fraudulent identity for or on behalf of a foreign power; or”.

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES.

Section 811(c)(2) of the Counterintelligence and Security Enhancements Act of 1994 (title VIII of Public Law 103-359; 108 Stat. 3455; 50 U.S.C. 402a(c)(2)) is amended by striking “after a report has been provided pursuant to paragraph (1)(A)”.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

SEC. 701. FINDINGS.

Congress makes the following findings:

(1) Imagery and signals intelligence satellites are vitally important to the security of the Nation.

(2) The National Reconnaissance Office (in this title referred to as the “NRO”) and its predecessor organizations have helped protect and defend the United States for more than 30 years.

(3) The end of the Cold War and the enormous growth in usage of information technology have changed the environment in which the intelligence community must operate. At the same time, the intelligence community has undergone significant changes in response to dynamic developments in strategy and in budgetary matters. The acquisition and maintenance of satellite systems are essential to providing timely intelligence to national policymakers and achieving information superiority for military leaders.

(4) There is a need to evaluate the roles and mission, organizational structure, technical skills, contractor relationships, use of commercial imagery, acquisition of launch vehicles, launch services, and launch infrastructure, mission assurance, acquisition authorities, and relationship to other agencies and departments of the Federal Government of the NRO in order to assure continuing success in satellite reconnaissance in the new millennium.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE.

(a) ESTABLISHMENT.—There is established a commission to be known as the “National Commission for the Review of the National Reconnaissance Office” (in this title referred to as the “Commission”).

(b) COMPOSITION.—The Commission shall be composed of eleven members, as follows:

(1) The Deputy Director of Central Intelligence for Community Management.

(2) Three members appointed by the Majority Leader of the Senate, in consultation with the Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and two from private life.

(3) Two members appointed by the Minority Leader of the Senate, in consultation with the Vice Chairman of the Select Committee on Intelligence of the Senate, one from Members of the Senate and one from private life.

(4) Three members appointed by the Speaker of the House of Representatives, in consultation with the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and two from private life.

(5) Two members appointed by the Minority Leader of the House of Representatives, in consultation with the ranking member of the Permanent Select Committee on Intelligence of the House of Representatives, one from Members of the House of Representatives and one from private life.

The Director of the National Reconnaissance Office shall be an ex officio member of the Commission.

(c) MEMBERSHIP.—(1) The individuals appointed as members of the Commission shall be individuals who are nationally recognized for expertise, knowledge, or experience in—

(A) technical intelligence collection systems and methods;

(B) research and development programs;

(C) acquisition management;

(D) use of intelligence information by national policymakers and military leaders; or

(E) the implementation, funding, or oversight of the national security policies of the United States.

(2) An official who appoints members of the Commission may not appoint an individual as a member of the Commission if, in the judgment of the official, such individual possesses any personal or financial interest in the discharge of any of the duties of the Commission.

(3) All members of the Commission appointed from private life shall possess an appropriate security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(d) CO-CHAIRS.—(1) The Commission shall have two co-chairs, selected from among the members of the Commission.

(2) One co-chair of the Commission shall be a member of the Democratic Party, and one co-chair shall be a member of the Republican Party.

(3) The individuals who serve as the co-chairs of the Commission shall be jointly agreed upon by the President, the Majority Leader of the Senate, the Minority Leader of the Senate, and Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

(e) APPOINTMENT; INITIAL MEETING.—(1) Members of the Commission shall be appointed not later than 45 days after the date of the enactment of this Act.

(2) The Commission shall hold its initial meeting on the date that is 60 days after the date of the enactment of this Act.

(f) MEETINGS; QUORUM; VACANCIES.—(1) After its initial meeting, the Commission shall meet upon the call of the co-chairs of the Commission.

(2) Six members of the Commission shall constitute a quorum for purposes of conducting business, except that two members of the Commission shall constitute a quorum for purposes of receiving testimony.

(3) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(4) If vacancies in the Commission occur on any day after 45 days after the date of the enactment of this Act, a quorum shall consist of a

majority of the members of the Commission as of such day.

(g) **ACTIONS OF COMMISSION.**—(1) The Commission shall act by resolution agreed to by a majority of the members of the Commission voting and present.

(2) The Commission may establish panels composed of less than the full membership of the Commission for purposes of carrying out the duties of the Commission under this title. The actions of any such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(3) Any member, agent, or staff of the Commission may, if authorized by the co-chairs of the Commission, take any action which the Commission is authorized to take pursuant to this title.

SEC. 703. DUTIES OF COMMISSION.

(a) **IN GENERAL.**—The duties of the Commission shall be—

(1) to conduct, until not later than the date on which the Commission submits the report under section 708(a), the review described in subsection (b); and

(2) to submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report on the results of the review.

(b) **REVIEW.**—The Commission shall review the current organization, practices, and authorities of the NRO, in particular with respect to—

- (1) roles and mission;
- (2) organizational structure;
- (3) technical skills;
- (4) contractor relationships;
- (5) use of commercial imagery;
- (6) acquisition of launch vehicles, launch services, and launch infrastructure, and mission assurance;
- (7) acquisition authorities; and
- (8) relationships with other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION.

(a) **IN GENERAL.**—(1) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title—

(A) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, and administer such oaths, and

(B) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents,

as the Commission or such designated subcommittee or designated member considers necessary.

(2) Subpoenas may be issued under paragraph (1)(B) under the signature of the co-chairs of the Commission, and may be served by any person designated by such co-chairs.

(3) The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192-194) shall apply in the case of any failure of a witness to comply with any subpoena or to testify when summoned under authority of this section.

(b) **CONTRACTING.**—The Commission may, to such extent and in such amounts as are provided in advance in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this title.

(c) **INFORMATION FROM FEDERAL AGENCIES.**—The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this title. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics di-

rectly to the Commission, upon request of the co-chairs of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(d) **ASSISTANCE FROM FEDERAL AGENCIES.**—(1) The Director of Central Intelligence shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, staff, facilities, and other support services as are necessary for the performance of the Commission's duties under this title.

(2) The Secretary of Defense may provide the Commission, on a nonreimbursable basis, with such administrative services, staff, and other support services as the Commission may request.

(3) In addition to the assistance set forth in paragraphs (1) and (2), other departments and agencies of the United States may provide the Commission such services, funds, facilities, staff, and other support as such departments and agencies consider advisable and as may be authorized by law.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this title, including the provision of full and current briefings and analyses.

(e) **PROHIBITION ON WITHHOLDING INFORMATION.**—No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(f) **POSTAL SERVICES.**—The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(g) **GIFTS.**—The Commission may accept, use, and dispose of gifts or donations of services or property in carrying out its duties under this title.

SEC. 705. STAFF OF COMMISSION.

(a) **IN GENERAL.**—(1) The co-chairs of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III or chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2) Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(b) **CONSULTANT SERVICES.**—(1) The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of such title.

(2) All experts and consultants employed by the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES.

(a) **COMPENSATION.**—(1) Except as provided in paragraph (2), each member of the Commission

may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this title.

(2) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay by reason of their service on the Commission.

(b) **TRAVEL EXPENSES.**—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY.

(a) **IN GENERAL.**—(1) The Director of Central Intelligence shall assume responsibility for the handling and disposition of any information related to the national security of the United States that is received, considered, or used by the Commission under this title.

(2) Any information related to the national security of the United States that is provided to the Commission by a congressional intelligence committee may not be further provided or released without the approval of the chairman of such committee.

(b) **ACCESS AFTER TERMINATION OF COMMISSION.**—Notwithstanding any other provision of law, after the termination of the Commission under section 708, only the Members and designated staff of the congressional intelligence committees, the Director of Central Intelligence and the designees of the Director, and such other officials of the executive branch as the President may designate shall have access to information related to the national security of the United States that is received, considered, or used by the Commission.

SEC. 708. FINAL REPORT; TERMINATION.

(a) **FINAL REPORT.**—Not later than November 1, 2000, the Commission shall submit to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of Defense a final report as required by section 703(a).

(b) **TERMINATION.**—(1) The Commission, and all the authorities of this title, shall terminate at the end of the 120-day period beginning on the date on which the final report under subsection (a) is transmitted to the congressional intelligence committees.

(2) The Commission may use the 120-day period referred to in paragraph (1) for the purposes of concluding its activities, including providing testimony to committees of Congress concerning the final report referred to in that paragraph and disseminating the report.

SEC. 709. ASSESSMENTS OF FINAL REPORT.

Not later than 60 days after receipt of the final report under section 708(a), the Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees an assessment by the Director or the Secretary, as the case may be, of the final report. Each assessment shall include such comments on the findings and recommendations contained in the final report as the Director or Secretary, as the case may be, considers appropriate.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.

(a) **FEDERAL ADVISORY COMMITTEE ACT.**—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission under this title.

(b) **FREEDOM OF INFORMATION ACT.**—The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of

Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

SEC. 711. FUNDING.

(a) **TRANSFER FROM NRO.**—Of the amounts authorized to be appropriated by this Act for the National Reconnaissance Office, the Director of the National Reconnaissance Office shall transfer to the Director of Central Intelligence \$5,000,000 for purposes of the activities of the Commission under this title.

(b) **AVAILABILITY IN GENERAL.**—The Director of Central Intelligence shall make available to the Commission, from the amount transferred to the Director under subsection (a), such amounts as the Commission may require for purposes of the activities of the Commission under this title.

(c) **DURATION OF AVAILABILITY.**—Amounts made available to the Commission under subsection (b) shall remain available until expended.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.

In this title, the term “congressional intelligence committees” means the following:

(1) The Select Committee on Intelligence of the Senate.

(2) The Permanent Select Committee on Intelligence of the House of Representatives.

TITLE VIII—INTERNATIONAL NARCOTICS TRAFFICKING

SEC. 801. SHORT TITLE.

This title may be cited as the “Foreign Narcotics Kingpin Designation Act”.

SEC. 802. FINDINGS AND POLICY.

(a) **FINDINGS.**—Congress makes the following findings:

(1) Presidential Decision Directive 42, issued on October 21, 1995, ordered agencies of the executive branch of the United States Government to, *inter alia*, increase the priority and resources devoted to the direct and immediate threat international crime presents to national security, work more closely with other governments to develop a global response to this threat, and use aggressively and creatively all legal means available to combat international crime.

(2) Executive Order No. 12978 of October 21, 1995, provides for the use of the authorities in the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 et seq.) to target and apply sanctions to 4 international narcotics traffickers and their organizations that operate from Colombia.

(3) IEEPA was successfully applied to international narcotics traffickers in Colombia and based on that successful case study, Congress believes similar authorities should be applied worldwide.

(4) There is a national emergency resulting from the activities of international narcotics traffickers and their organizations that threatens the national security, foreign policy, and economy of the United States.

(b) **POLICY.**—It shall be the policy of the United States to apply economic and other financial sanctions to significant foreign narcotics traffickers and their organizations worldwide to protect the national security, foreign policy, and economy of the United States from the threat described in subsection (a)(4).

SEC. 803. PURPOSE.

The purpose of this title is to provide authority for the identification of, and application of sanctions on a worldwide basis to, significant foreign narcotics traffickers, their organizations, and the foreign persons who provide support to those significant foreign narcotics traffickers and their organizations, whose activities threaten the national security, foreign policy, and economy of the United States.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS.

(a) **PROVISION OF INFORMATION TO THE PRESIDENT.**—The Secretary of the Treasury, the At-

torney General, the Secretary of Defense, the Secretary of State, and the Director of Central Intelligence shall consult among themselves and provide the appropriate and necessary information to enable the President to submit the report under subsection (b). This information shall also be provided to the Director of the Office of National Drug Control Policy.

(b) **PUBLIC IDENTIFICATION AND SANCTIONING OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS.**—Not later than June 1, 2000, and not later than June 1 of each year thereafter, the President shall submit a report to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives; and to the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate—

(1) identifying publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and

(2) detailing publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title.

The report required in this subsection shall not include information on persons upon which United States sanctions imposed under this title, or otherwise on account of narcotics trafficking, are already in effect.

(c) **UNCLASSIFIED REPORT REQUIRED.**—The report required by subsection (b) shall be submitted in unclassified form and made available to the public.

(d) **CLASSIFIED REPORT.**—(1) Not later than July 1, 2000, and not later than July 1 of each year thereafter, the President shall provide the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate with a report in classified form describing in detail the status of the sanctions imposed under this title, including the personnel and resources directed towards the imposition of such sanctions during the preceding fiscal year, and providing background information with respect to newly-identified significant foreign narcotics traffickers and their activities.

(2) Such classified report shall describe actions the President intends to undertake or has undertaken with respect to such significant foreign narcotics traffickers.

(3) The report required under this subsection is in addition to the President's obligations to keep the intelligence committees of Congress fully and currently informed pursuant to the provisions of the National Security Act of 1947.

(e) **EXCLUSION OF CERTAIN INFORMATION.**—

(1) **INTELLIGENCE.**—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the identity of any person, if the Director of Central Intelligence determines that such disclosure could compromise an intelligence operation, activity, source, or method of the United States.

(2) **LAW ENFORCEMENT.**—Notwithstanding any other provision of this section, the reports described in subsections (b) and (d) shall not disclose the name of any person if the Attorney General, in coordination as appropriate with the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, and the Secretary of the Treasury, determines that such disclosure could reasonably be expected to—

(A) compromise the identity of a confidential source, including a State, local, or foreign agency or authority or any private institution that furnished information on a confidential basis;

(B) jeopardize the integrity or success of an ongoing criminal investigation or prosecution;

(C) endanger the life or physical safety of any person; or

(D) cause substantial harm to physical property.

(f) **NOTIFICATION REQUIRED.**—(1) Whenever either the Director of Central Intelligence or the Attorney General makes a determination under subsection (e), the Director of Central Intelligence or the Attorney General shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, and explain the reasons for such determination.

(2) The notification required under this subsection shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate not later than July 1, 2000, and on an annual basis thereafter.

(g) **DETERMINATIONS NOT TO APPLY SANCTIONS.**—(1) The President may waive the application to a significant foreign narcotics trafficker of any sanction authorized by this title if the President determines that the application of sanctions under this title would significantly harm the national security of the United States.

(2) When the President determines not to apply sanctions that are authorized by this title to any significant foreign narcotics trafficker, the President shall notify the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate not later than 21 days after making such determination.

(h) **CHANGES IN DETERMINATIONS TO IMPOSE SANCTIONS.**—

(1) **ADDITIONAL DETERMINATIONS.**—(A) If at any time after the report required under subsection (b) the President finds that a foreign person is a significant foreign narcotics trafficker and such foreign person has not been publicly identified in a report required under subsection (b), the President shall submit an additional public report containing the information described in subsection (b) with respect to such foreign person to the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate.

(B) The President may apply sanctions authorized under this title to the significant foreign narcotics trafficker identified in the report submitted under subparagraph (A) as if the trafficker were originally included in the report submitted pursuant to subsection (b) of this section.

(C) The President shall notify the Secretary of the Treasury of any determination made under this paragraph.

(2) **REVOCATION OF DETERMINATION.**—(A) Whenever the President finds that a foreign person that has been publicly identified as a significant foreign narcotics trafficker in the report required under subsection (b) or this subsection no longer engages in those activities for which sanctions under this title may be applied, the President shall issue public notice of such a finding.

(B) Not later than the date of the public notice issued pursuant to subparagraph (A), the President shall notify, in writing and in classified or unclassified form, the Permanent Select Committee on Intelligence, and the Committees on the Judiciary, International Relations, Armed Services, and Ways and Means of the House of Representatives, and the Select Committee on Intelligence, and the Committees on the Judiciary, Foreign Relations, Armed Services, and Finance of the Senate of actions taken under this paragraph and a description of the basis for such actions.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS.

(a) **APPLICABILITY OF SANCTIONS.**—A significant foreign narcotics trafficker publicly identified in the report required under subsection (b) or (h)(1) of section 804 and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section shall be subject to any and all sanctions as authorized by this title. The application of sanctions on any foreign person pursuant to subsection (b) or (h)(1) of section 804 or subsection (b) of this section shall remain in effect until revoked pursuant to section 804(h)(2) or subsection (e)(1)(A) of this section or waived pursuant to section 804(g)(1).

(b) **BLOCKING OF ASSETS.**—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, there are blocked as of such date, and any date thereafter, all such property and interests in property within the United States, or within the possession or control of any United States person, which are owned or controlled by—

(1) any significant foreign narcotics trafficker publicly identified by the President in the report required under subsection (b) or (h)(1) of section 804;

(2) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection;

(3) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as owned, controlled, or directed by, or acting for or on behalf of, a significant foreign narcotics trafficker so identified in the report required under subsection (b) or (h)(1) of section 804, or foreign persons designated by the Secretary of the Treasury pursuant to this subsection; and

(4) any foreign person that the Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, designates as playing a significant role in international narcotics trafficking.

(c) **PROHIBITED TRANSACTIONS.**—Except to the extent provided in regulations, orders, instructions, licenses, or directives issued pursuant to this title, and notwithstanding any contract entered into or any license or permit granted prior to the date on which the President submits the report required under subsection (b) or (h)(1) of section 804, the following transactions are prohibited:

(1) Any transaction or dealing by a United States person, or within the United States, in property or interests in property of any significant foreign narcotics trafficker so identified in the report required pursuant to subsection (b) or (h)(1) of section 804, and foreign persons designated by the Secretary of the Treasury pursuant to subsection (b) of this section.

(2) Any transaction or dealing by a United States person, or within the United States, that evades or avoids, or has the effect of evading or avoiding, and any endeavor, attempt, or conspiracy to violate, any of the prohibitions contained in this title.

(d) **LAW ENFORCEMENT AND INTELLIGENCE ACTIVITIES NOT AFFECTED.**—Nothing in this title prohibits or otherwise limits the authorized law enforcement or intelligence activities of the United States, or the law enforcement activities of any State or subdivision thereof.

(e) **IMPLEMENTATION.**—(1) The Secretary of the Treasury, in consultation with the Attorney General, the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of Defense, and the Secretary of State, is authorized to take such actions as may be necessary to carry out this title, including—

(A) making those designations authorized by paragraphs (2), (3), and (4) of subsection (b) of this section and revocation thereof;

(B) promulgating rules and regulations permitted under this title; and

(C) employing all powers conferred on the Secretary of the Treasury under this title.

(2) Each agency of the United States shall take all appropriate measures within its authority to carry out the provisions of this title.

(3) Section 552(a)(3) of title 5, United States Code, shall not apply to any record or information obtained or created in the implementation of this title.

(f) **JUDICIAL REVIEW.**—The determinations, identifications, findings, and designations made pursuant to section 804 and subsection (b) of this section shall not be subject to judicial review.

SEC. 806. AUTHORITIES.

(a) **IN GENERAL.**—To carry out the purposes of this title, the Secretary of the Treasury may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(1) investigate, regulate, or prohibit—

(A) any transactions in foreign exchange, currency, or securities; and

(B) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interests of any foreign country or a national thereof; and

(2) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent, or prohibit any acquisition, holding, withholding, use, transfer, withdrawal, transportation, placement into foreign or domestic commerce of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(b) **RECORDKEEPING.**—Pursuant to subsection (a), the Secretary of the Treasury may require recordkeeping, reporting, and production of documents to carry out the purposes of this title.

(c) DEFENSES.—

(1) Full and actual compliance with any regulation, order, license, instruction, or direction issued under this title shall be a defense in any proceeding alleging a violation of any of the provisions of this title.

(2) No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to, and in reliance on this title, or any regulation, instruction, or direction issued under this title.

(d) **RULEMAKING.**—The Secretary of the Treasury may issue such other regulations or orders, including regulations prescribing recordkeeping, reporting, and production of documents, definitions, licenses, instructions, or directions, as may be necessary for the exercise of the authorities granted by this title.

SEC. 807. ENFORCEMENT.

(a) **CRIMINAL PENALTIES.**—(1) Whoever willfully violates the provisions of this title, or any license rule, or regulation issued pursuant to this title, or willfully neglects or refuses to comply with any order of the President issued under this title shall be—

(A) imprisoned for not more than 10 years,

(B) fined in the amount provided in title 18, United States Code, or, in the case of an entity, fined not more than \$10,000,000, or both.

(2) Any officer, director, or agent of any entity who knowingly participates in a violation of the provisions of this title shall be imprisoned for not more than 30 years, fined not more than \$5,000,000, or both.

(b) **CIVIL PENALTIES.**—A civil penalty not to exceed \$1,000,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this title.

(c) **JUDICIAL REVIEW OF CIVIL PENALTY.**—Any penalty imposed under subsection (b) shall be subject to judicial review only to the extent provided in section 702 of title 5, United States Code.

SEC. 808. DEFINITIONS.

As used in this title:

(1) **ENTITY.**—The term “entity” means a partnership, joint venture, association, corporation, organization, network, group, or subgroup, or any form of business collaboration.

(2) **FOREIGN PERSON.**—The term “foreign person” means any citizen or national of a foreign state or any entity not organized under the laws of the United States, but does not include a foreign state.

(3) **NARCOTICS TRAFFICKING.**—The term “narcotics trafficking” means any illicit activity to cultivate, produce, manufacture, distribute, sell, finance, or transport narcotic drugs, controlled substances, or listed chemicals, or otherwise endeavor or attempt to do so, or to assist, abet, conspire, or collude with others to do so.

(4) **NARCOTIC DRUG; CONTROLLED SUBSTANCE; LISTED CHEMICAL.**—The terms “narcotic drug”, “controlled substance”, and “listed chemical” have the meanings given those terms in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(5) **PERSON.**—The term “person” means an individual or entity.

(6) **UNITED STATES PERSON.**—The term “United States person” means any United States citizen or national, permanent resident alien, an entity organized under the laws of the United States (including its foreign branches), or any person within the United States.

(7) **SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER.**—The term “significant foreign narcotics trafficker” means any foreign person that plays a significant role in international narcotics trafficking, that the President has determined to be appropriate for sanctions pursuant to this title, and that the President has publicly identified in the report required under subsection (b) or (h)(1) of section 804.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS.

Section 212(a)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(C)) is amended to read as follows:

“(C) **CONTROLLED SUBSTANCE TRAFFICKERS.**—Any alien who the consular officer or the Attorney General knows or has reason to believe—

“(i) is or has been an illicit trafficker in any controlled substance or in any listed chemical (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), or is or has been a knowing aider, abettor, assister, conspirator, or colluder with others in the illicit trafficking in any such controlled or listed substance or chemical, or endeavored to do so; or

“(ii) is the spouse, son, or daughter of an alien inadmissible under clause (i), has, within

the previous 5 years, obtained any financial or other benefit from the illicit activity of that alien, and knew or reasonably should have known that the financial or other benefit was the product of such illicit activity, is inadmissible.”.

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL.

(a) **ESTABLISHMENT.**—There is established a commission to be known as the “Judicial Review Commission on Foreign Asset Control” (in this section referred to as the “Commission”).

(b) **MEMBERSHIP AND PROCEDURAL MATTERS.**—(1) The Commission shall be composed of five members, as follows:

(A) One member shall be appointed by the Chairman of the Select Committee on Intelligence of the Senate.

(B) One member shall be appointed by the Vice Chairman of the Select Committee on Intelligence of the Senate.

(C) One member shall be appointed by the Chairman of the Permanent Select Committee on Intelligence of the House of Representatives.

(D) One member shall be appointed by the Ranking Minority Member of the Permanent Select Committee on Intelligence of the House of Representatives.

(E) One member shall be appointed jointly by the members appointed under subparagraphs (A) through (D).

(2) Each member of the Commission shall, for purposes of the activities of the Commission under this section, possess or obtain an appropriate security clearance in accordance with applicable laws and regulations regarding the handling of classified information.

(3) The members of the Commission shall choose the chairman of the Commission from among the members of the Commission.

(4) The members of the Commission shall establish rules governing the procedures and proceedings of the Commission.

(c) **DUTIES.**—The Commission shall have as its duties the following:

(1) To conduct a review of the current judicial, regulatory, and administrative authorities relating to the blocking of assets of foreign persons by the United States Government.

(2) To conduct a detailed examination and evaluation of the remedies available to United States persons affected by the blocking of assets of foreign persons by the United States Government.

(d) **POWERS.**—(1) The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

(2) The Commission may secure directly from any executive department, agency, bureau, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this section. Each such department, agency, bureau, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request of the chairman of the Commission. The Commission shall handle and protect all classified information provided to it under this section in accordance with applicable statutes and regulations.

(3) The Attorney General and the Secretary of the Treasury shall provide to the Commission, on a nonreimbursable basis, such administrative services, funds, facilities, and other support services as are necessary for the performance of the Commission’s duties under this section.

(4) The Commission shall receive the full and timely cooperation of any official, department, or agency of the United States Government whose assistance is necessary for the fulfillment of the duties of the Commission under this section, including the provision of full and current briefings and analyses.

(5) No department or agency of the Government may withhold information from the Commission on the grounds that providing the information to the Commission would constitute the unauthorized disclosure of classified information or information relating to intelligence sources or methods.

(6) The Commission may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

(e) **STAFF.**—(1) Subject to paragraph (2), the chairman of the Commission, in accordance with rules agreed upon by the Commission, shall appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its duties, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III or chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of such title.

(2)(A) Any employee of a department or agency referred to in subparagraph (B) may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(B) The departments and agencies referred to in this subparagraph are as follows:

(i) The Department of Justice.

(ii) The Department of the Treasury.

(iii) The Central Intelligence Agency.

(3) All staff of the Commission shall possess a security clearance in accordance with applicable laws and regulations concerning the handling of classified information.

(f) **COMPENSATION AND TRAVEL EXPENSES.**—

(1)(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission under this section.

(B) Members of the Commission who are officers or employees of the United States shall receive no additional pay by reason of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) **REPORT.**—(1) Not later than one year after the date of the enactment of this Act, the Commissions shall submit to the committees of Congress referred to in paragraph (4) a report on the activities of the Commission under this section, including the findings, conclusions, and recommendations, if any, of the Commission as a result of the review under subsection (c)(1) and the examination and evaluation under subsection (c)(2).

(2) The report under paragraph (1) shall include any additional or dissenting views of a member of the Commission upon the request of the member.

(3) The report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(4) The committees of Congress referred to in this paragraph are the following:

(A) The Select Committee on Intelligence and the Committees on Foreign Relations and the Judiciary of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committees on International Re-

lations and the Judiciary of the House of Representatives.

(h) **TERMINATION.**—The Commission shall terminate at the end of the 60-day period beginning on the date on which the report required by subsection (g) is submitted to the committees of Congress referred to in that subsection.

(i) **INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.**—(1) The provisions of the Federal Advisory Committee Act (5.S.C. App.) shall not apply to the activities of the Commission under this section.

(2) The provisions of section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), shall not apply to the activities, records, and proceedings of the Commission under this title.

(j) **FUNDING.**—The Attorney General shall, from amounts authorized to be appropriated to the Attorney General by this Act, make available to the Commission \$1,000,000 for purposes of the activities of the Commission under this section. Amounts made available to the Commission under the preceding sentence shall remain available until expended.

SEC. 811. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

PORTER GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
NANCY PELOSI,
SANFORD BISHOP, Jr.,
NORMAN SISISKY,
GARY CONDIT.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
ROBERT E. ANDREWS,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
BOB KERREY,
RICHARD G. LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG.

From the Committee on Armed Services:

JOHN WARNER,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1555) to authorize appropriations for fiscal year 2000 for intelligence and the intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and

the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendments struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The managers agree that the congressionally directed actions described in the respective committee reports or classified annexes should be undertaken to the extent that such congressional directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 1555.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS

Section 101 of the conference report report lists the departments, agencies, and other elements of the United States Government for whose intelligence and intelligence related activities the Act authorizes appropriations for fiscal year 2000. Section 101 is identical to section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 2000 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The details of the Schedule are explained in the classified annex to this report. Section 102 is similar to section 102 of the House bill and section 102 of the Senate amendment.

SEC. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 2000 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only when doing so is necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the two intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In

no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account for the Director of Central Intelligence and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 2000.

Subsection (a) authorizes appropriations of \$170,672,000 for fiscal year 2000 for the activities of the Community Management Account (CMA) of the Director of Central Intelligence.

The House bill and the Senate amendment were nearly identical.

The Senate amendment, however, contained a provision earmarking funds from the CMA for the Information Security Oversight Office (ISOO). The House bill did not include a similar provision. The House recedes to the Senate position with a modification. The managers have agreed to delete the provision earmarking Community Management funds for the ISOO. The managers agree that authorizing funds from the CMA for the ISOO is an inappropriate allocation of intelligence community funds.

Subsection (b) authorizes 347 full-time personnel for the Community Management Staff for fiscal year 2000 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government.

Subsection (c) authorizes additional appropriations and personnel for the Community Management Account as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2001.

Subsection (d) requires, except as provided in Section 113 of the National Security Act of 1947 or for temporary situations of less than one year, that personnel from another element of the United States Government be detailed to an element of the Community Management Account on a reimbursable basis.

Subsection (e) authorizes \$27,000,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC).

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999

Section 105 specifically authorizes, for purposes of section 504 of the National Security Act of 1947, those intelligence and intelligence-related activities that were deemed to have been authorized, pursuant to that section, through the 1999 Emergency Supplemental Appropriations Act (P.L. 106-31). A provision similar to section 105 was included in the House bill but was not included in the Senate amendment. The Senate recedes to the House position. The managers agreed to include this provision based on the requirements of section 504 of the National Security Act of 1947.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the House bill and section 201 of the Senate amendment.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the House bill and section 301 of the Senate amendment.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the House bill and section 302 of the Senate amendment.

SEC. 303. DIPLOMATIC INTELLIGENCE SUPPORT CENTERS

Section 303 of the conference report limits the establishment, operation, or maintenance of Diplomatic Intelligence Support Centers (DISCs) in fiscal year 2000 and precludes the obligation or expenditure of any funds appropriated for fiscal year 2000 for any purpose related to DISCs, without the prior approval of the Director of Central Intelligence (DCI).

The managers direct that prior to any NFIP funds being spent to establish a DISC, the DCI must, within three days of his approval of the establishment of a DISC, advise the congressional intelligence committees of his determination that the approved DISC is required to provide necessary intelligence support in furtherance of the national security interests of the United States.

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers learned of efforts by the Department of State to establish a DISC and found the concept unwise. The managers are not convinced that the DISC model is an appropriate means for providing intelligence support to diplomatic missions. This is specifically so where there is already ample intelligence support at the disposal of the chief of a diplomatic mission. Notwithstanding this provision limiting the establishment, operation, or maintenance of DISCs, the managers strongly believe that intelligence support to diplomatic missions is one of the very highest intelligence priorities.

Nothing in this provision precludes the Department of State from deploying Bureau of Intelligence and Research analysts to any location where the Secretary of State determines there is a need for such support. Likewise, this provision does not inhibit the Director of Central Intelligence from deciding the appropriate level of, or the manner in which, intelligence support to U.S. diplomatic missions shall be accomplished. The managers have specifically identified in the classified annex to this conference report the type of intelligence support that is unaffected by this provision.

SEC. 304. PROTECTION OF IDENTITY OF RETIRED COVERT AGENTS

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House with a modification replacing the mandatory minimum sentencing provision in the House bill with a provision specifying that terms of imprisonment imposed under the section shall be served consecutively to any other sentence of imprisonment.

SEC. 305. ACCESS TO COMPUTERS AND COMPUTER DATA OF EXECUTIVE BRANCH EMPLOYEES WITH ACCESS TO CLASSIFIED INFORMATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 306. NATURALIZATION OF CERTAIN PERSONS AFFILIATED WITH A COMMUNIST OR SIMILAR PARTY

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 307. TECHNICAL AMENDMENT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 308. DECLASSIFICATION REVIEW OF INTELLIGENCE ESTIMATE ON VIETNAM-ERA PRISONERS OF WAR AND MISSING IN ACTION PERSONNEL AND CRITICAL ASSESSMENT OF ESTIMATE

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 309. REPORT ON LEGAL STANDARDS APPLIED FOR ELECTRONIC SURVEILLANCE

The House bill and Senate amendment contained similar provisions. The Senate recedes to the House provision with a modification.

SEC. 310. REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON THE UNITED STATES

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 311. REPORT ON ACTIVITIES OF THE CENTRAL INTELLIGENCE AGENCY IN CHILE

Section 311 requires the Director of Central Intelligence to submit a report to the appropriate committees of Congress no later than nine months after this Act is enacted describing all activities of officers, covert agents, and employees of all elements in the intelligence community with respect to the assassination of President Salvador Allende in September 1973; the accession of General Augusto Pinochet to the Presidency of the Republic of Chile; and, violations of human rights committed by officers or agents of former President Pinochet.

The conferees note that the National Security Council on February 1, 1999, directed the Departments of State, Justice, and Defense; the Central Intelligence Agency; and the National Archives to compile and review for public release all documents that shed light on human rights abuses, terrorism, and other acts of political violence during and prior to the Pinochet era in Chile. In addition, the conferees note that the Department of Justice is conducting a search for documents pertaining to the requests of the Spanish court investigating the abuses of the Pinochet regime. The managers expect the appropriate committees of Congress, as set forth in this section, to be given access to the documents responsive to these two searches, whether classified or publicly released.

Section 311 is similar to Section 306(a) of the House bill but provides additional time for the submission of the report.

SEC. 312. REPORT ON KOSOVA LIBERATION ARMY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

SEC. 313. REAFFIRMATION OF LONGSTANDING PROHIBITION AGAINST DRUG TRAFFICKING BY EMPLOYEES OF THE INTELLIGENCE COMMUNITY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position with a modification upon the insistence of the Senate.

SEC. 314. SENSE OF CONGRESS ON CLASSIFICATION AND DECLASSIFICATION

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 315. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. IMPROVEMENT AND EXTENSION OF CENTRAL SERVICES PROGRAM

The Senate amendment contained a similar provision. The House bill did not. The

House recedes to the Senate position, with a modification.

SEC. 402. EXTENSION OF CIA VOLUNTARY SEPARATION PAY ACT

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position, upon the insistence of the Senate.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY

The House bill contained a similar provision. The Senate amendment did not. The Senate recedes to the House position, with a modification making this amendment to title 50, United States Code, rather than in title 10, United States Code.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

TITLE VI—FOREIGN COUNTERINTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. EXPANSION OF DEFINITION OF "AGENT OF A FOREIGN POWER" FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 602. FEDERAL BUREAU OF INVESTIGATION REPORTS TO OTHER EXECUTIVE AGENCIES ON RESULTS OF COUNTERINTELLIGENCE ACTIVITIES

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

TITLE VII—NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

SEC. 701. FINDINGS

Neither the House bill nor the Senate amendment contained a similar provision. Prior to the meeting of conferees, however, the managers determined that an independent review of the National Reconnaissance Office (NRO) must be conducted to ensure that the National Reconnaissance Office (NRO) must be conducted to ensure that the Intelligence Community will acquire the most efficient, technologically capable, and economical satellite collection systems, and that the national policymakers and military leaders receive the intelligence they require to keep our nation secure. Therefore, the managers have included a provision creating the Commission for the Review of the National Reconnaissance Office.

The managers agreed that the functions and missions carried out by the NRO are essential to the provision of timely intelligence to policymakers and military leaders. However, the changing threat environment and emerging technologies have altered both what information satellites can collect and how they collect it. Additionally, Congress wants to ensure that future generations of intelligence collection satellites both perform to their requirements and are purchased at a fair cost to the taxpayer.

SEC. 702. NATIONAL COMMISSION FOR THE REVIEW OF THE NATIONAL RECONNAISSANCE OFFICE

The Commission will have eleven members. The Majority Leader of the Senate and the Speaker of the House, in consultation with the Chairman of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intel-

ligence, will each appoint one commission member from their respective Chamber and two from private life. The Minority Leaders of the Senate and House, in consultation with the Vice Chairman of the Senate Select Committee on Intelligence and the ranking member of the House Permanent Select Committee on Intelligence, will each appoint one commission member from their respective Chamber and one from private life. Additionally, the Deputy Director of Central Intelligence for Community Management will be a voting member of the Commission and the Director of the National Reconnaissance Office will be an *ex officio*, i.e., non-voting, member of the Commission.

The managers have included requirements that individuals appointed to the Commission will have experience and expertise in technical intelligence collection systems and methods; research and development programs; acquisition management; use of intelligence information by national policymakers and military leaders; and/or the implementation, funding, or oversight of the national security policies of the United States.

The Co-Chairs of the Commission will be selected from among the members of the Commission and agreed upon by the President, the Majority and Minority Leaders of the Senate, and the Speaker and Minority Leader of the House.

SEC. 703. DUTIES OF COMMISSION

The Commission is tasked with reviewing the roles and mission of the NRO; its organizational structure; technical skills of its employees; its contractor relationships; its use of commercial imagery; its acquisition of launch vehicles, launch services, launch infrastructure, and mission assurance; its acquisition authorities; and the relationship to other agencies and departments of the Federal Government.

SEC. 704. POWERS OF COMMISSION

The Commission is authorized to hold hearings, receive testimony from witnesses, receive information from federal agencies, and receive assistance from the Director of Central Intelligence and the Secretary of Defense in order to discharge its duties under this title.

SEC. 705. STAFF OF COMMISSION

The Commission is authorized to hire staff, procure consultant services, and receive assistance from Federal Government employees detailed to the Commission in order to discharge its duties under this title.

The managers agree that any member of the Commission is authorized to designate his or her staff to serve as liaison staff to the Commission. Liaison staff are required to possess the requisite security clearances before being given any access to classified information. Liaison staff shall have the same access to the information considered by the Commission as staff directly hired by the Commission.

SEC. 706. COMPENSATION AND TRAVEL EXPENSES

Members of the Commission are authorized to be compensated and be allowed travel expenses for the performance of their duties under this title.

SEC. 707. TREATMENT OF INFORMATION RELATING TO NATIONAL SECURITY

The Director of Central Intelligence shall assume responsibility for the handling and disposition of national security information received, considered, and used by Commission.

SEC. 708. FINAL REPORT; TERMINATION

The Commission is to produce a report with recommendations to the congressional intelligence committees, the Director of Central Intelligence, and the Secretary of

Defense by November 1, 2000. A copy of this report shall also be made available to the committees on Armed Services of the Senate and the House of Representatives.

The managers realize that the nature of the subject matter involved in a review of the NOR may of necessity require that Classified report be produced, but believe strongly that an unclassified report should also be made available to the public.

SEC. 709. ASSESSMENTS OF FINAL REPORT

The Director of Central Intelligence and the Secretary of Defense shall each submit to the congressional intelligence committees as assessment of the report of the Commission within 30 days of receipt of the report. A copy of these assessments shall also be made available to the Commission on Armed Services of the Senate and the House of Representatives.

SEC. 710. INAPPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS

The provisions of the Federal Advisory Committee Act and the Freedom of Information Act shall not apply to the activities of the Commission.

SEC. 711. FUNDING

The Director of Central Intelligence shall make available for purposes of the activities of the Commission \$5.0 million from the amounts authorized to be appropriated by this Act for the National Reconnaissance Office.

SEC. 712. CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED

The congressional intelligence committees referred to in this title refer to the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence.

TITLE VIII—BLOCKING ASSETS OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS

SEC. 801. SHORT TITLE

This section provides the short title for this title: "Foreign Narcotics Kingpin Designation Act."

SEC. 802. FINDINGS AND POLICY

The provisions in title VIII are intended to be global in scope—not country-specific—and specifically focus on the major cocaine, heroin, marijuana, amphetamine, and emerging synthetic narcotics produced and sold by foreign narco-trafficking organizations. The managers believe that the enactment of these provisions will encourage U.S. law enforcement and intelligence agencies to better coordinate their efforts against the leaders of the world's most dangerous multinational criminal organizations. This initiative will assist U.S. Government efforts to identify the assets, financial networks, and business associates of major narcotics trafficking groups. If effectively implemented, this strategy will disrupt these criminal organizations and bankrupt their leadership.

The provisions in this title are intended to supplement—not to replace—the United States' policy of annual certification of countries based on their performance in combating narcotics trafficking. This title will properly focus our Government's efforts against the specific individuals most responsible for trafficking in illegal narcotics by attacking their sources of income and undermining their efforts to launder the profits generated by drug-trafficking into legitimate business activities.

The intention of this legislation is to strengthen the ability of United States law enforcement effectively to target international narcotics traffickers attaching the fabric of our society. The legislation is based on the successful application of the International Emergency Economic Powers Act

(IEEPA) against Colombian narcotics traffickers. There is no intention that this legislation affect Americans who are not knowingly and willfully engaged in international narcotics trafficking. Nor is it intended in any way to derogate from existing constitutional and statutory due process protections for those whose assets are blocked or seized pursuant to law.

SEC. 803. PURPOSE

The legal precedent for this title was the successful application of sanctions in 1995 and 1996 against the Cali Cartel narco-trafficking organization and its key leaders. Executive Order 12978, issued by the Clinton Administration in October 1995, had the effect of dismantling and defunding numerous business entities conclusively tied to the Cali Cartel. Relying on the authorities provided within the IEEPA, President Clinton found that the activities of several Specially Designated Narcotics Traffickers (SDNTs) constituted an unusual and extraordinary threat to the United States' national security, foreign policy, and economy. In a June 1998 publication of the Treasury Department, the SDNT program was described as follows:

Companies and individuals are identified as SDNTs and placed on the SDNT list if they are determined, (a) to play a significant role in international narcotics trafficking centered in Colombia, (b) to materially assist in or provide financial or technological support for, or goods and services in support of, the narcotics trafficking activities of persons designated in or pursuant to the executive order, or (c) to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to Executive order 12978. The objectives of the SDNT program are to identify, expose, isolate and incapacitate the businesses and agents of the Colombian cartels and to deny them access to the U.S. financial system and to the benefits of trade and transactions involving United States businesses and individuals.

Coordinated law enforcement efforts by the U.S. and Colombian Governments in support of these sanctions put the Cali Cartel kingpins out of business. This legislation is intended to follow up on the success of the Colombian SDNT precedent by applying similar U.S. Government authorities and resources against significant foreign narcotics traffickers around the globe—including, but not limited to, major narcotics traffickers and trafficking organizations based in Afghanistan, Bolivia, Burma, Colombia, Dominican Republic, Laos, Mexico, Pakistan, People's Republic of China, Peru, Russia, and Thailand.

The bottom line objective of these provisions is to bankrupt and disrupt the major narcotics trafficking organizations. The targets of this legislation are not only the drug kingpins, but those involved in their illicit activities, such as: money laundering, acquiring chemical precursors to manufacture narcotics, manufacturing the drugs, transporting narcotics from the drug source countries to the United States, and managing the assets of these criminal enterprises.

SEC. 804. PUBLIC IDENTIFICATION OF SIGNIFICANT FOREIGN NARCOTICS TRAFFICKERS AND REQUIRED REPORTS

This section requires the Secretary of the Treasury—in consultation with the Attorney General, the Director of Central Intelligence, the Secretary of Defense, and the Secretary of State—to provide the appropriate and necessary information to enable the President to prepare the congressionally-mandated classified and unclassified reports on significant foreign narcotics traffickers. The President then shall make the determination to formally designate any significant foreign narcotics traffickers on June 1, 2000 (and not

later than June 1st of each year thereafter) as constituting an unusual and extraordinary threat to the national security, foreign policy and the economy of the United States. On June 1, 2000 (and not later than June 1st of each year thereafter), the President shall submit an unclassified report to the Committees on Intelligence, International Relations, Judiciary, Armed Services, and Ways and Means of the House of Representatives, and the Committees on Intelligence, Foreign Relations, Judiciary, Armed Services, and Finance of the Senate for official review. This unclassified report shall: (1) identify publicly the foreign persons that the President determines are appropriate for sanctions pursuant to this title; and (b) detail publicly the President's intent to impose sanctions upon these significant foreign narcotics traffickers pursuant to this title. Individuals and entities linked to major narcotics trafficking groups may be added to or withdrawn from the kingpins' list by the President at any time during the year.

The managers expect that the President will provide a classified report on July 1, 2000 (and not later than July 1st of each year thereafter) to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence detailing the overall status of the program, including personnel and resources directed towards the program, and providing background information with respect to newly identified significant foreign narcotics traffickers and their activities. The managers intend that the executive branch shall provide a detailed briefing after publication of the annual classified report with respect to its findings.

If the Director of Central Intelligence or the Attorney General make a determination not to designate a foreign individual on the Global Kingpins list due to a possible compromise of intelligence or law enforcement sources and methods, the legislation requires that they shall notify the House and Senate Intelligence Committees delineating the basis of their determination. A formal notification of a determination not to designate shall be provided to the House and Senate Intelligence Committees not later than July 1, 2000, and on an annual basis thereafter.

As a general matter, it is contemplated that the Director of Central Intelligence, the Attorney General, and the Secretary of the Treasury will determine to exclude the name of an individual from the Global Kingpins list only: (1) under circumstances where the mere appearance of the name on the list could compromise an intelligence source or method; (2) could reasonably be expected to disclose the identity of a confidential law enforcement source; (3) would disclose techniques and procedures for law enforcement prosecutions; (4) could reasonably be expected to endanger the life or physical safety of any individual; or (5) where there is an insufficient basis upon which to rely to support that individual's inclusion.

A similar version of this legislation, offered in the House as the "Drug Kingpins Bankruptcy Act of 1999," established a precedent for the future content and scope of the Global Kingpins list, by specifically identifying the first group of twelve of the world's most significant narco-traffickers from Burma, the Caribbean Region, Colombia, Mexico and Thailand. The first proposed Global Kingpins/SDNT list was developed in consultation with the Drug Enforcement Administration, the Federal Bureau of Investigation, the State Department, the Treasury Department, and the Central Intelligence Agency's Crime and Narcotics Center.

The managers also believe that the annual unclassified and classified reports to the

Congress will serve as vital oversight tools by providing additional data for the annual drug certification process. The certification process requires the President to certify on March 1st of each year the level of cooperation that the United States Government is receiving from major drug producing and major transit nations. The action or lack of action by both the Administration and these nations on the "majors list" with respect to the drug kingpins will become a significant annual indicator of counterdrug cooperation.

The managers note that the Colombian Kingpins/SDNT initiative under Executive Order 12978 in October 1995 was prepared within 6 months and was based upon information already collected on these kingpins and their operations. The managers recognize that the implementation of the Global Kingpins list will require significant additional resources and personnel from the intelligence and law enforcement communities. The managers urge that the Administration provide significant additional funding in the FY2001 Budget for the Treasury Department's Office of Foreign Assets Control (OFAC) to fully implement the Global Kingpins program in 2000 on a worldwide basis. As an interim measure, the managers recommend that the Treasury Department's Office of Foreign Assets Control receive analytical assistance and technical support from the Treasury Department's Office of Intelligence Support, the Justice Department's National Drug Intelligence Center, and the CIA's Crime and Narcotics Center.

SEC. 805. BLOCKING ASSETS AND PROHIBITING TRANSACTIONS

The effect of this provision will be to block all property and interests in property within the United States that are under the direct or indirect ownership or control of significant foreign narcotics traffickers. Second, it will block all assets of any foreign persons who materially assist, provide financial or technical support, or offer goods and services to such significant foreign narcotics traffickers. Third, it will block the assets of any foreign persons, who are determined by the United States Government as controlled by or acting on behalf of significant foreign narcotics traffickers. Fourth, it will block the assets of any foreign persons that the Secretary of the Treasury—in consultation with the Director of Central Intelligence, the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Administration, the Secretary of State, and the Secretary of Defense—designates as playing a significant role in international narcotics trafficking.

The sanctions that would take effect against the kingpins designated by the President, and their organizations and subordinates, would include the following:

(a) All assets of the kingpins and their organizations and subordinates subject to United States jurisdiction would be blocked; other law enforcement tools such as seizure and forfeiture would be available if appropriate.

(b) U.S. individuals and companies would be prohibited from engaging in unlicensed transactions, including any commercial or financial dealings, with any of the named kingpins and their organizations and subordinates.

Following the Colombia IEEPA-SDNT precedent, the Secretary of the Treasury will have the authority to determine and list persons and entities deemed to be materially assisting in, providing financial or technological support for, or providing goods or services in support of the narcotics trafficking activities of significant foreign narcotics traffickers. In order to develop this second-level list of facilitating persons and

entities, the Secretary of the Treasury will rely on information collected by the U.S. intelligence and law enforcement communities as well as on information provided by foreign government intelligence and law enforcement organizations. This information must pass through a rigorous interagency review process; the information must be material, factual and verifiable, and able to withstand scrutiny in a United States Federal Court. The success of the Colombia IEEPA-SDNT program has largely been the product of close U.S. cooperation with Colombian law enforcement and regulatory agencies. It is expected that global implementation of the kingpins list will promote closer U.S. cooperation with foreign law enforcement and regulatory agencies.

As with the Colombia IEEPA-SDNT program, the Secretary of the Treasury will issue all necessary administrative regulations and specifications to implement the Kingpins program on a global basis. Notification of United States persons and entities linked to significant foreign narcotics traffickers will also follow the precedents established under the Colombia IEEPA-SDNT program. Due to threats made against the U.S. officials responsible for implementation of the Colombia SDNT program, records and information obtained or created in the preparation of the Global Kingpins/SDNT list as well as the specific details on the implementation of sanctions against significant foreign narcotics traffickers would be exempted from the Freedom of Information Act.

All SDNT programs require that such designations pass an "arbitrary and capricious" test; and all designations are based upon a non-criminal standard of "reasonable cause to believe" that the party is owned or controlled by, or acts, or purports to act, for or on behalf of the sanctioned non-state party. Furthermore, the Colombia IEEPA-SDNT executive order uses an additional designation basis for foreign firms or individuals that "materially * * * assist in or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities" of the named drug kingpins or other, already designated SDNTs.

In implementing the Colombia IEEPA-SDNT program, OFAC analysts identify and research foreign targets that can be linked by evidence to individuals or entities already designated pursuant to E.O. 12978. To establish sufficient linkage, OFAC initially relied upon a significant body of documentary evidence through criminal law enforcement raids and seizures. The President's involvement was required in the designation of the original four Cali cartel kingpins named in the annex to E.O. 12978. Additional kingpin listings in Colombia have been developed through close coordination between OFAC and the Department of Justice, and the preponderance of Colombian SDNTs have been designated as a product of OFAC's research and collection efforts.

In the Colombia IEEPA-SDNT program, OFAC has reached designation determinations only after extensive reviews of the evidence internally and with the Department of Justice. E.O. 12978 has required that the State and Justice Departments be consulted by the Treasury prior to a designation. As noted above, Justice is deeply involved in examining the sufficiency of the evidence that occurs before any parties are added to the list.

OFAC regulations provide for post-designation review and remedies. The usual forum for considering removal of a designation (such as a change in circumstances or behavior) is one in which the named person or entity petitions OFAC for removal. Most petitioners initiate the review process simply by writing OFAC. Exchanges of correspondence,

additional fact-finding and meetings occur before OFAC decides whether there is a basis for removal. Although a number of persons have been removed through this means, only a very few persons or entities on the SDNT and other SDNT lists have ever petitioned for removal. Federal courts have held that no pre-deprivation hearing is required in blocking of assets because of the Executive Branch's plenary authority to act in the area of foreign policy and the obvious need to take immediate action upon designation to avoid dissipation of affected assets.

SEC. 806. AUTHORITIES

This section generally restates the applicable provisions of the International Economic Emergency Powers Act.

SEC. 807. ENFORCEMENT

This section generally restates the applicable provisions of the Trading with the Enemy Act.

SEC. 808. DEFINITIONS

This section defines specific terms used in this title.

SEC. 809. EXCLUSION OF PERSONS WHO HAVE BENEFITED FROM ILLICIT ACTIVITIES OF DRUG TRAFFICKERS

This section restates the applicable provisions of the Immigration and Nationality Act of 1952 as amended in 8 U.S.C. 1182(a)(2)(c). Designation on this list will result in the denial of visas and inadmissibility of specially designated narcotics traffickers, their immediate families, and their business associates.

SEC. 810. JUDICIAL REVIEW COMMISSION ON FOREIGN ASSET CONTROL

This section creates a commission to review the current judicial, regulatory, and administrative authorities under which the United States government blocks assets of foreign persons and to provide a detailed constitutional examination and evaluation of remedies available to United States persons affected by the blocking of assets of foreign persons. The commission is required to report back to Congress no later than one year after the date of enactment of this act on its findings, conclusions, and recommendations, if any, on the matters under their review. The managers believe that the public interest can best be served if the commission can reach consensus on its conclusions. The managers acknowledge, however, that consensus may not be able to reach on the significant issues on which the commission will deliberate. To that end, therefore, the managers have provided that the report to be submitted to Congress at the end of the commission's review period shall include all additional or dissenting views, if any.

Four of the commission members are to be appointed by the Chairmen and Ranking Democrats of the congressional intelligence committees. The fifth member of the Commission shall be appointed by the four members of the commission appointed by the intelligence committee Chairmen and Ranking Democrats. The commission shall also be provided the cooperation and assistance that it requests from any agency in the federal government.

The managers are determined to ensure that the judicial, regulatory, and administrative remedies and procedures available to U.S. persons affected by the blocking of assets of foreign persons pass constitutional muster. As expected, the managers concern centers on the fundamental question of due process and whether that principle is affirmed and sustained in the execution of this legislation. The managers expect the members of the Commission to examine and report on at least the following constitutional and other issues:

(1) whether reasonable protections of innocent U.S. businesses are available under the regime currently in place that is utilized to carry out the provisions of the International Emergency Economic Powers Act ("IEEPA");

(2) whether advance notice prior to blocking of one's assets is required as a matter of constitutional due process;

(3) whether there are reasonable opportunities under the current IEEPA regulatory regime and the Administrative Procedures Act for an erroneous blocking of assets or mistaken listing under IEEPA to be remedied;

(4) whether the level of proof that is required under the current judicial, regulatory, or administrative scheme is adequate to protect legitimate business interests from irreparable financial harm;

(5) whether there is constitutionally adequate accessibility to the courts to challenge agency actions under IEEPA, or the designation of persons or entities under IEEPA;

(6) whether there are remedial measures and legislative amendments that should be enacted to improve the current asset blocking scheme under IEEPA or this title; and

(7) whether the resources made available for the Office of Foreign Assets Control ("OFAC") at the Department of Treasury in the fiscal year 2001 budget submission are adequate to carry out the provisions of this title or the other programs currently in effect under IEEPA.

SEC. 811. EFFECTIVE DATE

This section establishes the effective date for this title.

From the Permanent Select Committee on Intelligence, for consideration of the Senate amendment, and the House bill, and modifications committed to conference:

PORTER GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
NANCY PELOSI,
SANFORD BISHOP, Jr.,
NORMAN SISISKY,
GARY CONDIT.

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
ROBERT E. ANDREWS,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
BOB KERREY,
RICHARD G. LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG.

From the Committee on Armed Services:

JOHN WARNER,

Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. KANJORSKI (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. MCINNIS (at the request of Mr. ARMEY) for today on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STRICKLAND) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:

Mr. GUTKNECHT, for 5 minutes, today.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 225. An act to provide Federal housing assistance to Native Hawaiians; to the Committee on Banking and Financial Services.

S. 777. An act to require the Department of Agriculture to establish an electronic filing and retrieval system to enable the public to file all required paperwork electronically with the Department and to have access to public information on farm programs, quarterly trade, economic, and production reports, and other similar information; to the Committee on Agriculture.

S. 1290. An act to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes; to the Committee on the Judiciary.

S. 1455. An act to enhance protections against fraud in the offering of financial assistance for college education, and for other purposes; to the Committee on the Judiciary, in addition to the Committee on Education and the Workforce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

S. 1754. An act to deny safe havens to international and war criminals, and for other purposes; to the Committee on the Judiciary.

S. 1866. An act to redesignate the Coastal Barrier Resources System as the "John H. Chafee Coastal Barrier Resources System"; to the Committee on Resources.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported

that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 75. Making further continuing appropriations for the fiscal year 2000, and for other purposes.

ADJOURNMENT

Mr. GUTKNECHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 22 minutes p.m.), under its previous order, the House adjourned until Monday, November 8, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5193. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—Streamlining of Regulations for Real Estate and Chattel Appraisals (RIN: 0560-AF69) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5194. A letter from the Acting Administrator, Department of Agriculture, transmitting the Department's final rule—1999 Livestock Indemnity Program; 1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program (RIN: 0560-AF82) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5195. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Imported Fire Ants; Quarantined Areas and Treatment Dosage [Docket No. 99-078-1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5196. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Citrus Canker Regulations [Docket No. 99-080-1] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5197. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of Defense, transmitting notification that the Commander of Cannon Air Force Base (AFB) New Mexico has conducted a cost comparison to reduce the cost of Military Family Housing Maintenance, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

5198. A letter from the Assistant Secretary of Defense, transmitting the "Evaluation of the TRICARE Program FY 1999 Report to Congress"; to the Committee on Armed Services.

5199. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA-7723] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

5200. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Labeling; Health Claims; Soy Protein

and Coronary Heart Disease [Docket No. 98P-0683] received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5201. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption Polysorbate 60 [Docket No. 84F-0050] received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5202. A letter from the Associate Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services [CC Docket No. 94-54] Personal Communications Industry Association's Broadband Personal Communications Services Alliance's Petition for Forebearance for Broadband Personal Communications Services Forbearance from Applying Provisions of the Communications Act to Wireless Telecommunications Carriers [WT Docket No. 98-100] Further Forbearance from Title II Regulation for Certain Types of Commercial Mobile Radio Services [GN Docket No. 94-33] Received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

5203. A letter from the Director, Defense Cooperation Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia [Transmittal No. 03-00], pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

5204. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to United Kingdom for defense articles and services [Transmittal No. 00-18], pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5205. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services [Transmittal No. 00-17], pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

5206. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Finland [Transmittal No. DTC 101-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5207. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the Czech Republic and Canada [Transmittal No. DTC 107-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5208. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed transfer of major defense equipment to the United Kingdom [Transmittal RSAT-2-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5209. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 106-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5210. A letter from the Assistant Secretary for Legislative Affairs, Department of State,

transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Turkey [Transmittal No. DTC 148-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5211. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Japan [Transmittal No. DTC 116-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5212. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with United Kingdom [Transmittal No. DTC 144-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5213. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Arab Emirates [Transmittal No. DTC 160-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

5214. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Brazil [Transmittal No. DTC 143-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5215. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 135-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5216. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Israel [Transmittal No. DTC 159-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

5217. A letter from the Assistant Secretary, Bureau of Export Administration, transmitting the Administration's final rule—Exports to Kosovo [Docket No. 990923261-9261-01] (RIN: 0694-AB99) received November 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

5218. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Republic of Korea for defense articles and services [Transmittal No. 00-21]; to the Committee on International Relations.

5219. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions And Deletions—received November 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5220. A letter from the Chairman, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting the 1999 Annual Report; to the Committee on Government Reform.

5221. A letter from the Director Designee, Federal Mediation and Conciliation Service, transmitting the report on audit and investigations provisions of the Inspector General Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

5222. A letter from the Office of the Independent Counsel, transmitting the Annual

Report on Audit and Investigative Activities, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

5223. A letter from the Chair, United States Architectural and Transportation Barriers Compliance Board, transmitting the report in compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 5 app.; to the Committee on Government Reform.

5224. A letter from the Deputy Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—National Sea Grant College Program—National Marine Fisheries Service Joint Graduate Fellowship Programs in Population Dynamics and Marine Resource Economics [Docket No. 990810211-9211-01] (RIN: 0648-ZA69) received November 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2547. A bill to provide for the conveyance of lands interests to Chugach Alaska Corporation to fulfill the intent, purpose, and promise of the Alaska Native Claims Settlement Act; with an amendment (Rept. 106-451). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3090. A bill to amend the Alaska Native Claims Settlement Act to restore certain lands to the Elim Native Corporation, and for other purposes; with an amendment (Rept. 106-452). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 416. An act to direct the Secretary of Agriculture to convey the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility; with an amendment (Rept. 106-453). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1444. A bill to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho; with amendments (Rept. 106-454 Pt. 1). Ordered to be printed.

Mr. HYDE: Committee on the Judiciary. H.R. 1869. A bill to amend title 18, United States Code, to expand the prohibition on stalking, and for other purposes; with an amendment (Rept. 106-455). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Education and the Workforce. H.R. 3172. A bill to amend the welfare-to-work program and modify the welfare-to-work performance bonus; with an amendment (Rept. 106-456 Pt. 1). Ordered to be printed.

Mr. GOSS: Committee of Conference. Conference report on H.R. 1555. A bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106-457). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X, the Committee on Education and the Workforce discharged from further consideration. H.R. 3073 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 10, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. JACKSON of Illinois (for himself, Mr. FRANKS of New Jersey, Mr. KENNEDY of Rhode Island, Ms. LEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CHRISTENSEN, Mr. HILLIARD, Mr. GUTIERREZ, and Mr. OWENS):

H.R. 3232. A bill to direct the President to conduct a study of issues relating to the incorporation of online and Internet technologies in the voting process, and for other purposes; to the Committee on House Administration.

By Mr. JACKSON of Illinois (for himself, Mr. EVANS, Mrs. JONES of Ohio, Ms. NORTON, Ms. SCHAKOWSKY, Mr. CUMMINGS, and Mr. OWENS):

H.R. 3233. A bill to amend the Federal Rules of Criminal Procedure to allow a defendant to make a motion for forensic testing not available at trial regarding actual innocence; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 3234. A bill to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports and Elimination and Sunset Act of 1995; to the Committee on Education and the Workforce.

By Mr. BARRETT of Wisconsin (for himself and Mr. KLECZKA):

H.R. 3235. A bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours; to the Committee on the Judiciary.

By Mr. CANNON:

H.R. 3236. A bill to authorize the Secretary of the Interior to enter into contracts with the Weber Basin Water Conservancy District, Utah, to use Weber Basin Project facilities for the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes; to the Committee on Resources.

By Mrs. CUBIN:

H.R. 3237. A bill to provide for the exchange of certain lands within the State of Wyoming; to the Committee on Resources.

By Mr. CUMMINGS (for himself, Mr. HOYER, Mr. WYNN, Mr. CARDIN, Mrs. MORELLA, Mr. GILCHREST, Mr. EHR- LICH, and Mr. BARTLETT of Maryland):

H.R. 3238. A bill to name certain facilities of the United States Postal Service in Baltimore, Maryland; to the Committee on Government Reform.

By Mr. DUNCAN:

H.R. 3239. A bill to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and amounts of any funds raised; to the Committee on Government Reform.

By Mr. GUTKNECHT (for himself, Mr. FOLEY, Mr. COBURN, and Mr. PAUL):

H.R. 3240. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States; to the Committee on Commerce.

By Mr. SANFORD:

H.R. 3241. A bill to direct the Secretary of the Interior to recalculate the franchise fee owed by Fort Sumter Tours, Inc., a concessioner providing service to Fort Sumter National Monument in South Carolina, and for other purposes; to the Committee on Resources.

By Mr. SCARBOROUGH (for himself and Mrs. THURMAN):

H.R. 3242. A bill to delay the effective date of the final rule regarding the Organ Procurement and Transplantation Network; to the Committee on Commerce.

By Mr. TERRY:

H.R. 3243. A bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 219: Mr. PETRI.
H.R. 220: Mr. KOLBE.
H.R. 408: Ms. BALDWIN.
H.R. 721: Mr. SMITH of Texas and Mr. BER- MAN.

H.R. 750: Mr. MEEHAN.
H.R. 762: Mr. BURTON of Indiana, Mr. GEP- HARDT, Mr. MEEHAN, Ms. BALDWIN, Mr. SCHAFER, Mr. FORBES, Mr. BLUNT, Mr. MCINTOSH, Mr. PETERSON of Minnesota, Mr. SPENCE, Mr. KLECZKA, and Ms. ESHOO.

H.R. 984: Mr. VITTER.
H.R. 1032: Mr. WALDEN of Oregon.
H.R. 1168: Mr. RANGEL.
H.R. 1244: Mr. TOOMEY.
H.R. 1274: Ms. BERKLEY.

H.R. 1275: Mr. PORTER, Ms. BERKLEY, Mr. MEEHAN, Mr. GEJDENSON, Ms. ROYBAL-AL- LARD, and Ms. LEE.

H.R. 1483: Mr. GOODLING.

H.R. 1591: Ms. BERKLEY.

H.R. 1645: Mr. ANDREWS and Ms. BERKLEY.

H.R. 1650: Mr. SPENCE, Mrs. TAUSCHER, Mr. LANTOS, Mr. MORAN of Virginia, and Mr. HINOJOSA.

H.R. 1769: Mrs. JONES of Ohio.

H.R. 1795: Mr. UDALL of Colorado and Mr. NORWOOD.

H.R. 1873: Ms. LOFGREN.

H.R. 1839: Mr. GREEN of Texas.

H.R. 1842: Mr. KILDEE.

H.R. 2053: Mr. RUSH and Mrs. MALONEY of New York.

H.R. 2129: Mr. FLETCHER, Mr. KANJORSKI, Mr. WELDON of Pennsylvania, Mr. SISISKY, Mr. BEREUTER, Mr. EWING, Mrs. TAUSCHER, and Mr. GUTKNECHT.

H.R. 2341: Mr. CUMMINGS, Mr. HAYES, and Mr. FRANK of Massachusetts.

H.R. 2405: Ms. ROYBAL-ALLARD.

H.R. 2486: Mr. MATSUI, Mr. KENNEDY of Rhode Island, and Mr. PAYNE.

H.R. 2655: Mr. JONES of North Carolina and Mr. WAMP.

H.R. 2715: Mr. PAUL.

H.R. 2749: Mr. ISAKSON.

H.R. 2757: Mr. HOEKSTRA.

H.R. 2842: Mr. ALLEN.

H.R. 2907: Mr. BILIRAKIS and Mr. FILNER.

H.R. 2953: Mr. MANZULLO.

H.R. 2966: Ms. CARSON, Mr. DEUTSCH, Mr. FRANK of Massachusetts, Mr. HALL of Texas, Mr. ISTOOK, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, and Mr. SMITH of New Jersey.

H.R. 3008: Mr. BOEHLERT, Mr. BORSKI, Mr. PAYNE, and Mr. BALDACCI.

H.R. 3058: Mr. LIPINSKI.

H.R. 3072: Mr. KLINK.

H.R. 3075: Mr. BLILEY, Mr. BILIRAKIS, Mrs. BONO, Mr. BILBRAY, Mr. BURR of North Carolina, Mr. OXLEY, Mr. SHADEGG, Mr. LAZIO, Mr. TAUZIN, Mr. COBURN, Mr. ROGAN, Mr. STEARNS, Mr. UPTON, Mr. WHITFIELD, Mr. GREENWOOD, and Mr. GILMOR.

H.R. 3082: Mr. TANNER.

H.R. 3105: Mr. RANGEL.

H.R. 3142: Mr. KILDEE.

H.R. 3180: Mr. BARCIA.

H.R. 3204: Mr. FORBES.

H. Con. Res. 62: Mr. LEWIS of Kentucky.

H. Con. Res. 89: Mr. MOORE.

H. Con. Res. 177: Mr. BROWN of Ohio, Mrs. MINK of Hawaii, Mr. LEWIS of Georgia, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Ms. KAPTUR, Ms. JACKSON-LEE of Texas, Mr. TOWNS, Mr. MEEKS of New York, Mr. WATT of North Carolina, Mr. HILLIARD, Ms. WATERS, Mr. MOAKLEY, Mr. MCDERMOTT, Mr. BALDACCI, Mr. CAPUANO, Mr. NEAL of Massachusetts, Mr. COYNE, Mr. MEEHAN, and Mr. CUMMINGS.

H. Con. Res. 216: Ms. MCKINNEY, Mr. RUSH, Mr. SWEENEY, Ms. STABENOW, Mr. ANDREWS, and Mrs. KELLY.

H. Res. 82: Mr. HOLT.

H. Res. 94: Mr. SNYDER.

H. Res. 325: Mr. ISAKSON.