

Act, legislation sponsored by our colleagues along the U.S.-Mexico border, the gentleman from Texas (Mr. HINOJOSA), the gentleman from Texas (Mr. BONILLA), the gentleman from Texas (Mr. GONZALEZ), the gentleman from Texas (Mr. ORTIZ), the gentleman from Texas (Mr. REYES), and the gentleman from Texas (Mr. RODRIGUEZ).

The legislation will authorize 14 irrigation improvement projects necessary for the continued viability and prosperity of farmers throughout the lower Rio Grand region. Eight of these projects will improve irrigation in Hidalgo County; three will help Cameron County; others will help Maverick County, El Paso County, and Hudspeth County.

Farmers in the lower Rio Grand Valley are being hit hard by both an international dispute over water obligations with Mexico and a serious 8-year drought, the longest on record in the valley region. For anyone needing proof for this desperation of valley farmers, I advise them to visit the mouth of the Rio Grand River where the flow has ceased to reach the Gulf of Mexico twice in the last 2 years and often only manages a trickle. The land in the lower Rio Grande Valley is among the most fertile, producing cotton, grains, vegetables, citrus, including the legendary pink grapefruit.

However, without water, farmers have accumulated billions in losses and tens of thousands of jobs have been lost. While drought has and always will challenge farmers, those in the lower Rio Grande Valley have had more than 1.5 million acre feet of water, or an incredible 488 billion gallons of water, withheld from them by the Mexican state of Chihuahua since 1992. At the same time, the state of Chihuahua has used this U.S. water to produce crops of their own in the desert. This violation of the 1944 U.S.-Mexico treaty regarding the Rio Grande and Colorado Rivers is admitted by the Mexican authorities and no party claims that the U.S. has ever failed in its reciprocal obligation to provide water to Mexico from the Colorado River.

While I consider Mexico to be a friend and strong ally of the United States, I have consistently argued that the State Department needs to resolve this issue of great importance to the economy of the lower Rio Grande Valley before moving on to other more controversial foreign policy issues between the United States and Mexico.

The matter of Mexico's adherence to the 1944 treaty and mounting water debt should be the Bush administration's top bilateral priority with respect to Mexico. Unfortunately, the administration's efforts to date have been deficient, as has been shown by the recent signing of the wholly inadequate water deal known as Minute 308.

A minute is a clarification to an existing treaty but is not a formal amendment. Signed by the representatives of the United States and Mexican governments to the International

Boundary and Water Commission on June 28, 2002, Minute 308 calls for improved water infrastructure in Mexico and the U.S., but it makes no meaningful attempt to address the mounting water debt that Mexico is accumulating.

Farmers in the lower Rio Grande Valley, while welcoming any attention to this issue, have overwhelmingly rejected Minute 308 as close to useless. I am disappointed that the U.S. representatives to the commission, who were in direct communication with high ranking administration officials, would not force stronger action.

With each passing day of inadequate administration action, the risk increases that this mounting debt will not be repaid, and more and more Texas farmers watch as their crops wither and die under the hot Texas sun.

Mr. Speaker, the twin factors of drought and politics have hit valley farmers hard. All are praying simultaneously for a good rain and a resolution of the dispute before the latest deadline of September 30, 2002. Even if this deadline is met, it will be too late for many. In the meantime, valley farmers will be encouraged that this House is coming to their aid by increasing the irrigation opportunities in the region throughout this legislation before us today. However, the administration needs to hear our debate today and to make sure that we have some water to use in these important projects.

I want to thank the gentleman from Texas (Mr. HINOJOSA) for introducing this legislation. I encourage my colleagues to vote "yes" in suspending the rules and passing H.R. 2990, the Lower Rio Grande Valley Water Resources Conservation and Improvement Act.

Mr. RODRIGUEZ. Mr. Speaker, I rise this evening to offer my full support for passage of HR 2990, the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2001. This bill would authorize additional projects critical to the improvement of water quality and infrastructures in South Texas while encouraging the federal government to focus more resources on the border region.

South Texas faces a grave water crisis. Even as counties to the north suffer from flooding that has caused millions of dollars in damage to businesses and homes, the border region suffers from a terrible lack of water. It is evident that we need to take a long, hard look at our water management practices and find new ways to improve our water resources.

In the Lower Rio Grande Valley of Texas, communities continue to battle with an eight-year drought. The land is parched. The crops have died. The Rio Grande River has literally stopped flowing into the Gulf of Mexico. How can I express the seriousness of the situation to my colleagues? The lack of water in South Texas has all but destroyed the way of life for the farmers and ranchers of the region.

During this same time period, Mexico has accumulated a substantial water deficit. Under terms of the 1944 U.S.-Mexico Water Treaty, Mexico now owes us close to 1.7 million acre-feet of water. This is water that could have provided enormous relief to South Texas.

Farmers and water district managers had held out hope that Mexico would release a portion of water owed so they could make it through the summer.

We were recently informed that the Administration had struck a deal with Mexico for the release of a mere 90,000 acre-feet. As South Texans have said, this is too little water, too late. To add insult to injury, the agreement gives Mexico access to substantial loans without requiring a firm payment schedule for water still owed. While we need substantial investment on both sides of the border to improve our water resources, we need Mexico to meet its treaty obligations to offer immediate relief to the parched lands of the Texas Valley.

We have a real opportunity to provide some needed relief today. HR 2990 will direct badly needed resources to South Texas to improve water quality and infrastructure. I ask for my colleagues support of this important bill.

Mr. ORTIZ. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from Wyoming (Mrs. CUBIN) that the House suspend the rules and pass the bill, H.R. 2990, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mrs. CUBIN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous materials in the RECORD on the six bills just considered: H.R. 4870, H.R. 3258, H.R. 3401, H.R. 3048, H.R. 2990, and H.R. 3917.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Wyoming?

There was no objection.

#### VETERANS HEALTH CARE AND PROCUREMENT IMPROVEMENT ACT OF 2002

Mr. MORAN of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3645) to amend title 38, United States Code, to provide for improved procurement practices by the Department of Veterans Affairs in procuring health-care items, as amended.

The Clerk read as follows:

H.R. 3645

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

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Veterans Health Care and Procurement Improvement Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

- Sec. 3. Limitation on use of local contracts for Department of Veterans Affairs procurement of health-care items.
- Sec. 4. Enhancements to enhanced-use lease authority.
- Sec. 5. Eligibility for Department of Veterans Affairs health care of certain additional Filipino World War II veterans residing in the United States.
- Sec. 6. Outpatient dental care for all former prisoners of war.
- Sec. 7. Improved accountability of research corporations established at Department of Veterans Affairs medical centers.
- Sec. 8. Department of Defense participation in Revolving Supply Fund purchases.
- Sec. 9. Name of Department of Veterans Affairs outpatient clinic, New London, Connecticut.

## SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

## SEC. 3. LIMITATION ON USE OF LOCAL CONTRACTS FOR DEPARTMENT OF VETERANS AFFAIRS PROCUREMENT OF HEALTH-CARE ITEMS.

(a) IN GENERAL.—Section 8125 is amended to read as follows:

### “§ 8125. Procurement of health-care items

“(a) Except as provided in subsection (b), any procurement of a health-care item by the Department shall be made through the use of a Federal Supply Schedule contract, or a national contract, that meets the requirements of subsection (d).

“(b)(1) Subsection (a) does not apply to a procurement of a health-care item in any of the following cases:

“(A) A procurement that is necessary to meet a current or near-term medical emergency at a medical center.

“(B) A procurement that is for a health-care item that is not listed in the Federal Supply Schedule or as part of a national contract and for which there is a valid clinical need.

“(C) A procurement that is for a specialized health-care item not listed in the Federal Supply Schedule or as part of a national contract and that is to meet the special needs of an individual patient who has one of the special needs identified in section 1706(b) of this title and who has a valid clinical need for the item.

“(D) A procurement that is part of an approved sharing agreement between the Department of Defense and the Department of Veterans Affairs with demonstrable cost-per-item savings for a health-care item listed on the Federal Supply Schedule or a national contract.

“(E) A procurement that supports a prime contract or a subcontract with a small business concern qualifying for a procurement preference program under section 8 or 15 of the Small Business Act (15 U.S.C. 637, 644).

“(2) A procurement may be made as authorized under subparagraph (B) of paragraph (1) only if the procurement is specifically authorized in advance in writing by the Secretary. The authority of the Secretary under the preceding sentence may only be delegated to the Deputy Secretary or to an official of the Veterans Health Administration not below the level of a Deputy Under Secretary (or equivalent) acting jointly with a procurement executive of the Department

not below the level of an Associate Deputy Assistant Secretary.

“(c) In the case of an emergency procurement of a health-care item as authorized by subsection (b)(1)(A), the quantity of the item procured may not exceed the quantity of that item that is the reasonably foreseeable need for the item at the medical center concerned until resupply can be achieved through procurement actions other than emergency procurement.

“(d) A contract meets the requirements of this subsection if the contract includes—

“(1) provisions referred to as ‘preaward and postaward audit clauses’; and

“(2) a provision referred to as a ‘price reduction clause’.

“(e)(1) The Secretary shall establish procedures to assure compliance by each Department medical facility with the provisions of this section and with applicable Federal and Department procurement regulations.

“(2) The procedures established by the Secretary under paragraph (1) shall be designed to maximize health-care item variety and the use of the Federal Supply Schedule.

“(3) The Secretary shall establish and enforce procedures limiting the standardization of items at the local, regional, or national level to provide special patient populations (as identified in section 1706(b) of this title) with the range and types of health-care items required to meet their clinical and quality-of-life needs.

“(4) The Advisory Committee on Prosthetics and Special-Disabilities Programs established under section 543 of this title shall review the procedures established under paragraph (3), including the implementation of those procedures, and shall advise the Secretary when those procedures are not effectively enforced by the Department.

“(f)(1) The Secretary shall establish annual goals for Department medical centers for the purchase of health-care items from Federal Supply Schedule and national contracts meeting the requirements of subsection (d). Such goals shall be designed to maximize the percentage of such purchases that are made through such contracts.

“(2) The Secretary shall establish goals for the Department for procurements from small business concerns qualifying for a procurement preference program under section 8 or 15 of the Small Business Act (15 U.S.C. 637, 644). Such goals shall be no less than the national goal for each such procurement preference program under either of those sections.

“(3) Achievement of the goals established under this subsection shall be an element in the performance standards for employees of the Department who have the authority and responsibility for achieving those goals.

“(g) A provision of law that is inconsistent with any provision of this section shall not apply, to the extent of the inconsistency, to the procurement of a health-care item for the Department.

“(h)(1) Not later than December 31 each year, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the procurement of health-care items during the preceding fiscal year. Each such report shall include, for the year covered by the report, the following:

“(A) The total dollar amount of all items listed in Federal Supply Classification (FSC) Group 65 or 66 and the total dollar value of the exceptions to subsection (a) under each of subparagraphs (A), (B), (C), (D), and (E) of subsection (b)(1), shown by medical facility.

“(B) A detailed explanation for exceptions to subsection (a), including—

“(i) the rationale for use of emergency procurement at Department medical facilities;

“(ii) the rationale for approval of requests under subsection (b)(1)(B) for procurement of

items not listed on the Federal Supply Schedule or on national contracts; and

“(iii) exceptions granted for special health-care needs of veterans with disabilities described in section 1706(b) of this title.

“(C) Analysis of sharing agreements between the Department and the Department of Defense to indicate the basic written sharing initiative and the division of financial responsibility between the two Departments.

“(D) The stated goal under each procurement preference program, together with an assessment of the performance of the Department toward achievement of that goal, especially with respect to the goal for contracting with businesses that are owned by veterans with service-connected disabilities.

“(2) The Advisory Committee on Prosthetics and Special-Disabilities Programs of the Department shall submit comments on each report under paragraph (1) before the report is submitted under that paragraph, and the Secretary shall include those comments in the report as submitted.

“(i) For the purposes of this subsection:

“(1) The term ‘health-care item’ includes any item other than services listed in, or (as determined by the Secretary) of the same nature as an item listed in, Federal Supply Classification (FSC) Group 65 or 66.

“(2) The term ‘national contract’ means a contract for procurement of an item that is entered into by the National Acquisition Center of the Department or another Department procurement activity, as authorized by the Secretary, that is available for use by all Department medical facilities.

“(3) The term ‘valid clinical need’ means in the professional judgment of an appropriate clinician. Such term applies to health care items, prosthetic appliances, sensory or mobility aids and supplies that are prescribed by a physician for special patient populations such as veterans with spinal cord dysfunction, blindness, amputations, and other veterans included in section 1706(b) of this title.

“(4) The term ‘Federal Supply Schedule contract’ means a contract that is awarded and administered by the National Acquisition Center of the Department under a delegation of authority from the Administrator of the General Services Administration.

“(5) The term ‘emergency procurement’ means a procurement necessary to meet an emergency need affecting the health or safety of a person being furnished health-care services by the Department.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2003, and shall apply to procurements by the Secretary of Veterans Affairs after that date.

## SEC. 4. ENHANCEMENTS TO ENHANCED-USE LEASE AUTHORITY.

(a) INCREASED FLEXIBILITY UNDER ENHANCED-USE LEASES.—Section 8162(a)(2)(B) is amended—

(1) by striking “proposed by the Under Secretary for Health” and inserting “proposed by one of the Under Secretaries”; and

(2) by striking “to the provision of medical care and services” and inserting “to the programs and activities of the Department”.

(b) NOTIFICATION OF PROPERTY TO BE LEASED.—Section 8163 is amended—

(1) in the first sentence of subsection (a)—

(A) by striking “designate a property to be leased under an enhanced-use lease” and inserting “enter into an enhanced-use lease with respect to certain property”; and

(B) by striking “before making the designation” and inserting “before entering into the lease”;

(2) in subsection (b), by striking “of the proposed designation” and inserting “to the congressional veterans’ affairs committees and to the public of the proposed lease”; and

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking “designate the property involved” and inserting “enter into an enhanced-use lease of the property involved”; and

(ii) by striking “to so designate the property” and inserting “to enter into such lease”;

(B) in paragraph (2), by striking “90-day period” and inserting “45-day period”;

(C) in paragraph (3)—

(i) by striking “general description” in subparagraph (D) and inserting “description of the provisions”; and

(ii) by adding at the end the following new subparagraph:

“(G) A summary of a cost-benefit analysis of the proposed lease.”; and

(D) by striking paragraph (4).

(C) DISPOSITION OF LEASED PROPERTY.—Section 8164 is amended—

(1) in subsection (a)—

(A) by striking “by requesting the Administrator of General Services to dispose of the property pursuant to subsection (b)” in the first sentence; and

(B) by striking the third sentence;

(2) in subsection (b)—

(A) by striking “Secretary and the Administrator of General Services jointly determine” and inserting “Secretary determines”; and

(B) by striking “Secretary and the Administrator consider” and inserting “Secretary considers”; and

(3) in subsection (c), by striking “90 days” and inserting “45 days”.

(D) USE OF PROCEEDS.—Section 8165 is amended—

(1) in subsection (a)—

(A) by striking “(1)” after “(a)”;

(B) by inserting after “of this title” the following: “, except that any funds received by the Department under an enhanced-use lease in support of the Veterans Benefits Administration or the National Cemetery Administration and remaining after any deduction from such funds under subsection (b) shall be credited to applicable appropriations of that Administration”; and

(C) by striking paragraph (2);

(2) in subsection (b), by adding at the end the following new sentence: “The Secretary may use the proceeds from any enhanced-use lease to reimburse applicable appropriations of the Department for any expenses incurred in the development of additional enhanced-use leases.”; and

(3) by striking subsection (c).

(E) CLERICAL AMENDMENTS.—(1) The heading of section 8163 is amended to read as follows:

“§ 8163. Hearing and notice requirements regarding proposed leases”.

(2) The item relating to section 8163 in the table of sections at the beginning of chapter 81 is amended to read as follows:

“8163. Hearing and notice requirements regarding proposed leases.”.

**SEC. 5. ELIGIBILITY FOR DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE OF CERTAIN ADDITIONAL FILIPINO WORLD WAR II VETERANS RESIDING IN THE UNITED STATES.**

(A) ELIGIBILITY FOR HEALTH CARE.—The text of section 1734 is amended to read as follows:

“(a) The Secretary shall furnish hospital and nursing home care and medical services to any individual described in subsection (b) in the same manner, and subject to the same terms and conditions, as apply to the furnishing of such care and services to individuals who are veterans as defined in section 101(2) of this title. Any disability of an individual described in subsection (b) that is a

service-connected disability for purposes of this subchapter (as provided for under section 1735(2) of this title) shall be considered to be a service-connected disability for purposes of furnishing care and services under the preceding sentence.

“(b) Subsection (a) applies to any individual who is a Commonwealth Army veteran or new Philippine Scout and who—

“(1) is residing in the United States; and

“(2) is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence.”.

(B) LIMITATION.—The amendment made by subsection (a) shall take effect on the date on which the Secretary of Veterans Affairs submits to the Committees on Veterans Affairs of the Senate and House of Representatives and publishes in the Federal Register a certification that sufficient resources are available for the fiscal year during which the certification is submitted to carry out section 1734 of title 38, United States Code, as amended by such amendment, during that fiscal year at those facilities of the Department of Veterans Affairs where the majority of veterans described in subsection (b) of such section will receive hospital and nursing home care and medical services authorized by subsection (a) of such section.

**SEC. 6. OUTPATIENT DENTAL CARE FOR ALL FORMER PRISONERS OF WAR.**

Section 1712(a)(1)(F) is amended by striking “and who was detained or interned for a period of not less than 90 days”.

**SEC. 7. IMPROVED ACCOUNTABILITY OF RESEARCH CORPORATIONS ESTABLISHED AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTERS.**

(A) AUDITS AND IMPROVED ANNUAL REPORT.—Subsection (b) of section 7366 is amended to read as follows:

“(b)(1) Not later than March 1 each year, each such corporation shall submit to the Secretary a report concerning the preceding calendar year. Each such annual report shall include the following:

“(A) A detailed statement of the corporation’s operations, activities, and accomplishments during the preceding calendar year.

“(B) A description of each research project or activity for which funds were provided by the corporation during that year or for which funds were provided by the corporation during a preceding year and that is ongoing during the year covered by the report, including, for each such project or activity, the title of the project or activity and a description of the purpose of the project or activity.

“(C) A statement of the amount of funds controlled by the corporation as of the first day, and as of the last day, of the year covered by the report and a statement of the amount of funds received, shown by source, during the year.

“(D) An itemized accounting of all disbursements made during the year.

“(E) The most recent audit of the corporation under paragraph (2).

“(F) Such other information as may be necessary to enable the Secretary to prepare the annual report to congressional committees required under section 7367 of this title.

“(2) A corporation with a balance of funds under its control in excess of \$300,000 at any time during a calendar year shall obtain an audit of the corporation for that year. Any other corporation shall obtain an independent audit of the corporation at least once every three years. The report on any such audit shall specifically state whether the corporation audited made any payment, or provided any travel, during the period covered by the audit to a member of the board of directors of the corporation and, if so, the amount and recipient of any such payment or travel.

“(3) Any audit under paragraph (2) shall be performed by an independent auditor and shall be performed in accordance with generally accepted Government auditing standards and in accordance with Office of Management and Budget Circular A-133.

“(4) The Inspector General of the Department shall each year review the most recent audit under paragraph (2) of not less than 10 percent of the corporations described in the first sentence of paragraph (2) and not less than 10 percent of the corporations described in the second sentence of that paragraph. As part of such review, the Inspector General shall determine whether the audit was carried out in accordance with generally accepted Government auditing standards, as required by paragraph (3).”.

(B) ANNUAL REPORT OF SECRETARY.—(1) Subchapter IV of chapter 73 is amended—

(A) by inserting after subsection (c) of section 7366 the following:

“§ 7367. Annual report to congressional committees”;

and

(B) in the text immediately following the section heading inserted by subparagraph (A)—

(i) by striking “(d)” and inserting “(a)”;

(ii) by inserting after the first sentence the following new sentence: “Each such report shall be based on the annual reports submitted by the corporations to the Secretary under section 7366(b) of this title and shall be submitted not later than May 1 of the year following the year covered by such reports.”; and

(iii) by striking “The report shall” and inserting the following:

“(b) Each such report shall”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7366 the following new item:

“7367. Annual report to congressional committees.”.

(C) EXTENSION OF AUTHORITY TO ESTABLISH RESEARCH CORPORATIONS.—Section 7368 is amended by striking “December 31, 2003” and inserting “December 31, 2006”.

**SEC. 8. DEPARTMENT OF DEFENSE PARTICIPATION IN REVOLVING SUPPLY FUND PURCHASES.**

(A) ENHANCEMENT OF DEPARTMENT OF DEFENSE PARTICIPATION.—Section 8121 is amended—

(1) by redesignating subsection (b) and (c) as subsections (d) and (e), respectively;

(2) by designating the last sentence of subsection (a) as subsection (c); and

(3) by inserting after paragraph (3) of subsection (a) the following new subsection:

“(b) The Secretary may authorize the Secretary of Defense to make purchases through the fund in the same manner as activities of the Department. When services, equipment, or supplies are furnished to the Secretary of Defense through the fund, the reimbursement required by paragraph (2) of subsection (a) shall be made from appropriations made to the Department of Defense, and when services or supplies are to be furnished to the Department of Defense, the fund may be credited, as provided in paragraph (3) of subsection (a), with advances from appropriations available to the Department of Defense.”.

(B) EFFECTIVE DATE.—The amendments made by subsection (A) shall apply only with respect to funds appropriated for a fiscal year after fiscal year 2002.

**SEC. 9. NAME OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, NEW LONDON, CONNECTICUT.**

The Department of Veterans Affairs outpatient clinic located in New London, Connecticut, shall after the date of the enactment of this Act be known and designated as

the "John J. McGuirk Department of Veterans Affairs Outpatient Clinic". Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the John J. McGuirk Department of Veterans Affairs Outpatient Clinic.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas (Mr. MORAN) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3645 was introduced by the gentleman from Illinois (Mr. EVANS) earlier this year. I would like to take this time to commend the gentleman from Illinois as well as our chairman, the gentleman from New Jersey (Mr. SMITH), and the gentleman from California (Mr. FILNER), the ranking member of our Subcommittee on Health, which I am privileged to chair. In addition, I would like to thank the gentleman from Indiana (Mr. BUYER), chairman of the Subcommittee on Oversight and Investigations and the gentleman from Connecticut (Mr. SIMMONS) for their work on this bill.

Introduced by the gentleman from Illinois (Mr. EVANS), H.R. 3645 represents an important reform to the manner in which the VA obtains medical supply items for VA health care, and it is a good-government measure. On June 26 of this year, the VA Subcommittee on Health held a legislative hearing to explore the merits of this bill. As a result of our hearing and subsequent meetings with veterans' organizations, changes were made to the bill to ensure that the VA may continue to obtain specialized health care items that severely disabled veterans require. These changes are addressed in section 3 of the bill.

Also, Mr. Speaker, several other measures were incorporated into this legislation. To summarize, the VA Subcommittee on Health held a hearing on June 13 regarding access to VA health care to Filipino veterans of World War II who now reside in this country. These veterans fought alongside our troops in the Philippines and deserve access to VA health care. Section 5 of the amendment includes the health care-related provisions of H.R. 4904, a bill that the gentleman from California (Mr. FILNER) introduced that would extend these services to our World War II allies who served in the Commonwealth Army of the Philippines. The VA Subcommittees on Health and Oversight and Investigations held a joint hearing on May 16 to address our concerns about activities of the research and education corporations that aid the VA in conducting outside funded research and provide certain health education funding for VA clinicians.

As a result of issues arising at that hearing, the gentleman from Indiana (Mr. BUYER) introduced H.R. 5084, the

contents of which are now included in section 7 of this bill.

Mr. Speaker, the VA also requested the inclusion of three additional provisions, provisions to streamline the procedures for awarding enhanced-use leases of certain VA real properties, to expand dental care for all former prisoners of war, and to authorize the VA Secretary to permit the Department of Defense to use the VA supply fund to obtain medical supply items for DOD health care facilities. These provisions are part of this bill in sections 4, 6 and 8, respectively.

Finally, the gentleman from Connecticut (Mr. SIMMONS) introduced a bill, H.R. 3418, to name the New London, Connecticut, VA clinic in honor of the late John McGuirk, a prominent World War II veteran from New London. The gentleman from Connecticut's bill, cosponsored by the entire Connecticut delegation, is in full compliance with our committee's policy for naming VA facilities and is included as an amendment to this legislation. Last week, our Subcommittee on Health met and marked up this bill and the full committee did so later in the week as well.

Mr. Speaker, H.R. 3645 is a good bill. I urge its support.

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

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

Mr. Speaker, I am very pleased that H.R. 3645, as amended, is being considered by the House today. In addition to providing needed reforms to VA procurement, it also authorizes medical care for veterans and expedites the process for enhanced use lease of VA assets.

I sincerely appreciate the cooperation of the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) on this bill. I also want to thank the chairman and ranking member of the Subcommittee on Health, the gentleman from Kansas (Mr. MORAN) and the gentleman from California (Mr. FILNER), for their assistance and valuable contributions.

H.R. 3645 was introduced to reform VA procurement for medical and surgical supplies. For too long, VA has not leveraged its enormous purchasing power to obtain the best possible prices. Unfortunately, VA has also failed to include price reduction provisions in procurement contracts and did not consistently conduct pre- and post-award audits.

The procurement reform provisions in the Veterans Health Care Procurement Reform and Improvement Act of 2002 are about good government, obtaining the best prices for medical and surgical supplies used to provide VA medical care and saving taxpayer dollars. Additionally, I also recognize the persistence of the gentleman from California (Mr. FILNER) to win health care benefits for certain Filipino veterans. I have long supported his efforts and am pleased that the health benefits he has

advocated are included in the legislation before us today.

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

Mr. MORAN of Kansas. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Mississippi for his remarks and also agree with him about the importance of this legislation, particularly the good-government aspects that the gentleman from Illinois (Mr. EVANS), our ranking member, has pursued by introduction of this bill, and also the Filipino veteran issue that the gentleman from California (Mr. FILNER), the ranking member of the Subcommittee on Health, who is en route back to Washington today from California, his effort over many years to try to address the issues of the Filipino veterans.

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And finally I thank the gentleman from Connecticut (Mr. SIMMONS) for his effort to recognize one of his outstanding World War II veterans from Connecticut. So this legislation really is a result of a bipartisan effort and a number of Members' special interests in issues that affect veterans not only in our country but especially in their own districts.

Mr. CUNNINGHAM. Mr. Speaker, I rise in support of H.R. 3645 and thank you for the opportunity to speak about this bill. While this issue, as a matter of national honor, is one of the most important subjects that we will discuss this session, it does not capture the headlines and few Americans are even aware of it. Yet it requires no debate to determine the only honorable and right course of action.

When we went to war in 1941, the people of the Philippines, then an American Commonwealth, went with us. Under Executive Order by President Roosevelt, the 400,000 men of the Philippines military were called on to join our forces under General Douglas MacArthur. They faithfully fought with us throughout the war. They walked side by side with us during the Bataan Death March, dying at a rate exceeding that of the American troops. After the war, we passed legislation that denied these brave men status as US veterans, denying them access to veterans' benefits. I am proud to count myself among the many that feel this was wrong and not worthy of our Nation's honor.

I believe that a promise made is a debt unpaid, and it is far past the proper time to correct this longstanding wrong. While passage of H.R. 3645 does not correct the entire problem it is a step in the right direction. This bill will take the step of extending VA benefits to the 11,000 Filipino WWII veterans that are living in the United States. I hope we will eventually extend this benefit to the 34,000 veterans that chose to stay in the Philippines. With passage of this bill, we will be closer to this goal. Failure to take action is a stain on our national character. As Americans we can and must set a higher standard.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3645, the Veterans Health-Care Items Procurement Reform and Improvement Act of 2002. I urge my colleagues to lend their support to this measure.

This legislation reforms the Department of Veterans Affairs (VA) programs and policies that procure certain health-care items used by the VA to care for veterans; address specialized accountability; and strengthens reporting for exceptions made to the reformed policies.

The measure also streamlines the procedures that govern the VA's use of enhance-use lease authority and provide the VA additional flexibility to enhance use of VA properties in complementary activities. The largest VA facility near my congressional district, located in Montrose, NY, has been taking advantage of enhance-lease authority for several years. The primary goal of enhance leasing should be to promote tenants and projects that will complement existing VA medical services. The language in this portion of H.R. 3645 should help ensure that the needs of veterans come first with any future enhanced leasing that occurs at the Montrose Medical Center.

I am especially pleased to note the provision that provides hospital and nursing home care and medical services to certain Filipino World War II veterans of the Philippines Commonwealth army and former Philippines "New Scouts" who now permanently reside in the United States. The inclusion of this section marks another milestone in our long-standing effort to extend overdue recognition and benefits to Filipino veterans of World War II. As a leader in the fight to restore these benefits over the past ten years, I am grateful my colleagues from California, congressmen FILNER and CUNNINGHAM for their work within the Veterans Affairs Committee to see that this section was adopted.

Finally, H.R. 3645 expands eligibility for outpatient dental care for all former prisoners for VA research and education corporations established at VA medical centers.

Mr. Speaker, this is a good bill that provides numerous benefits to those who served their country in the Armed Forces. I urge my colleagues to support its passage.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in strong support of H.R. 3645, the Veterans Health-Care Items Procurement Reform and Improvement Act of 2002.

The bill includes provisions to expand health care benefits for World War II Filipino veterans residing in the U.S. The bill moves us one step closer to restoring the veterans' benefits taken away from Filipino soldiers who fought for the U.S. military during the Second World War.

Before World War II, the Philippines had been a U.S. possession for 42 years. Located off the coast of mainland Asia, Filipinos found themselves a short distance from the hostilities that would soon draw the whole world into a war to avenge the bombing of Pearl Harbor, and the atrocities in the European Theater.

The U.S. asked the Philippines to help America fight the long and difficult battles to come. When President Roosevelt issued Military Order No. 1 on July 26, 1941, nearly 200,000 Filipinos responded. They responded without hesitation to defend their homeland and to answer the call for help.

From 1941 to 1945, Filipino soldiers fought alongside American soldiers. They defended Bataan and Corregidor, which helped ensure General MacArthur's ultimate victory. Thousands of Filipino prisoners of war endured the infamous Bataan Death March, and many more died in prisons.

When the Filipino soldiers with America in its struggle to defend freedom, the members of the Commonwealth Army expected to receive their benefits at the end of the war. When the Philippines was forced to form guerrilla forces during the Japanese occupation, these brave soldiers also expected to receive their benefits.

After the war, the U.S. Congress established the New Philippine Scouts by enacting the Armed Forces Voluntary Recruitment Act (Public Law 79-190) in October 1945. From 1945 through 1946, the New Philippine Scouts helped defend the Philippines as the nation worked to rebuild itself.

President Roosevelt promised that Filipino veterans would become U.S. citizens and thus have the same benefits given to all other U.S. veterans. In October 1945 General Omar Bradley, Administrator of the Veterans Administration, reaffirmed that they were to be treated like all other American veterans and would receive full benefits. But the U.S. Congress broke this promise to the Commonwealth Army and the recognized guerrilla forces by enacting the Rescission Act (Public Law 79-301). Congress broke the promise to New Philippine Scouts when it passed the Second Rescission Act (Public Law 79-391).

The Rescission Acts stated that the World War II service of Filipinos shall not be deemed to be service in the military or national forces of the U.S. or any component thereof. Exceptions only were given to those who died, were maimed, or were separated from active service due to physical disability.

Since passing the Rescission Acts, the U.S. government has done little to recognize the service of World War II Filipino soldiers. In the 1948 (PL 80-865), 1963 (PL 88-40), 1973 (PL 93-82), and 1981 (97-72), the U.S. Congress passed legislation to help the Philippine government provided limited medical care at special VA facilities in Manila.

The equality movement has made significant strides during the last 12 years. In 1990, Public Law 101-649 made certain Filipino veterans who served during World War II eligible for U.S. citizenship. Under this law, over twenty eight thousand veterans became naturalized citizens and seventeen thousand moved to U.S.

In 1999 Congress passed Public Law 106-169. It expanded U.S. income-based Social Security disability benefits to certain World War II veterans, including Filipino veterans of World War II who served in the organized military forces of the Philippines.

The following year, Congress passed two laws for Filipino veterans. Public Law 106-377 allowed Commonwealth Army Veterans and veterans of the recognized guerrilla forces to receive disability compensation at the full statutory rate and visit VA medical facilities for those disabilities, if they are permanent legal residents.

Public Law 106-419 provided full burial benefits for Commonwealth Army Veterans and veterans of the recognized guerrilla force if they are permanent residents of the U.S. and met certain other entitling conditions.

Even after passing multiple bills to correct the injustice of the Rescission Acts, there is still much work to do to help Filipino veterans legally residing in the U.S. New Philippine Scouts are denied most non-health care benefits and all health care benefits for non-service connected injuries. The surviving spouses of

veterans from the Commonwealth Army and the guerrilla forces do not receive full dependency and indemnity compensation rates.

I sponsored H.R. 594 in the 107th Congress to amend the Social Security Act and allow World War II Filipino veterans to obtain health care benefits through Medicare. Under my bill, qualified World War II Filipino veterans living in the U.S. would be entitled to Medicare Part A benefits and the option to enroll in Part B. With the current veterans' health care system (TRICARE) using Medicare as a primary insurer, my bill would have provided a ready basis for providing full health care benefits to all surviving World War II Filipino veterans living in the U.S.

Congressman FILNER introduced H.R. 4904 on June 11, 2002. I am an original cosponsor of this bill. H.R. 4904 will provide VA medical care to World War II Filipino veterans who live in the U.S. and are U.S. citizens or legal permanent residents. It will provide the full dependency and indemnity compensation (DIC) rates to surviving spouses of Filipino veterans, and the bill includes benefits for New Philippine Scouts.

During a hearing before House Veterans' Affairs Subcommittee on Benefits, Veterans Administration Secretary Anthony Principi stated his support for H.R. 4909 and agreed to act on its provisions as soon as it is signed by the President.

The key provisions of H.R. 4904 have been incorporated into H.R. 3645, the bill that is before us today. H.R. 3645 provides hospital, nursing home, and medical services to certain Filipino World War II veterans of the Philippines Commonwealth Army and former Philippines New Scouts who now permanently reside in the U.S.

I am disappointed that the bill does not include the more comprehensive language offered by Congressman FILNER in committee. His amendment would have raised the unfair compensation rate of New Scouts who live in the U.S. New Philippine Scouts receive half the normal rate because they originally lived in the Philippines. This must change because many New Scouts moved to U.S. after Congress passed Public Law 106-419. I look forward to working with my colleagues to address this injustice in future legislation.

I urge my colleagues to vote for H.R. 3645 so we can get this bill to the President's desk before the end of the year. Fewer than 14,000 Filipino veterans live in the U.S. and that number is rapidly falling. Every day will lose more and more of these brave veterans. The Veterans Administration estimates that the Filipino population will decrease by one-third by 2010.

For more than fifty years Filipino veterans have been denied the veterans' benefits they earned during World War II. Now is the time to fulfill our obligation to these brave veterans. They are entitled to VA health care benefits the same as any other veteran.

Mr. SIMMONS. Mr. Speaker, I rise today in support of H.R. 3645, the "Veterans Health-Care Items Procurement Reform and Improvement Act of 2002." I would also like to take a moment and praise the hard work of the Veterans' Affairs Committee and staff for their endless support of veterans throughout the years.

Included in this bill is legislation (H.R. 3418) I introduced earlier this year to name the U.S. Department of Veterans Affairs Community Based Outreach Clinic (CBOC), located on the

grounds of the United States Coast Guard Academy in New London, CT, the "John J. McGuirk Department of Veterans Affairs Outpatient Clinic."

John J. McGuirk was a devoted patriot, a dedicated sailor and a great American. Working his way across the South Pacific as an enlisted salvage diver in the United States Navy during World War II, John McGuirk began his life long commitment to his nation and fellow veterans.

Following his honorable discharge from the Navy, he served veterans across Connecticut. Whether it was finding a pair of crutches, gaining access for disabled veterans to vote or working with the VA Healthcare system to expand availability—John gave it his all.

John saw first hand the extensive hardships placed on veterans as they traveled from all over the state to West Haven, CT to see VA physicians. John felt that veterans should not travel such distances to get proper treatment and worked tirelessly to open a VA clinic in Southeastern Connecticut. The VA opened a Veterans Outreach Clinic in New London with the willing help of the Coast Guard Academy, enabling veterans access to healthcare services.

On behalf of the Members of the Connecticut delegation, Disabled Veterans of America, Paralyzed Veterans of America, American Legion, Veterans of Foreign Wars, AMVETS and the United States Coast Guard Academy, I ask that all Members of Congress support this bill and honor the memory of John J. McGuirk.

Mr. EVANS. Mr. Speaker, H.R. 3645, the Veterans Health Care and Procurement Improvement Act of 2002, as reported, deserves the support of every Member of this House. When enacted, H.R. 3645 will improve the delivery of important benefits to veterans, expedite the process associated with enhanced use of VA assets and improve the cost-effectiveness of VA procurement of medical and surgical items resulting in wiser and more effective use of taxpayer dollars to provide medical care to our Nation's veterans. Other key provisions of this bill add or strengthen benefits for certain Filipino veterans or for U.S. former prisoners of war.

As the author of H.R. 3645, I appreciate and recognize the cooperation and assistance provided by the Chairman of our Committee, CHRIS SMITH, in guiding H.R. 3645 through Committee consideration. I am also grateful to the Chairman and Ranking Member of our Health Subcommittee, JERRY MORAN and BOB FILNER, for their conscientious efforts to improve H.R. 3645. Their contributions are both welcome and appreciated. I also appreciate the work and contributions of other Members and staff from both sides of the aisle.

Last year, VA reportedly spent approximately \$1.5 billion on medical supplies and prosthetics. The Department of Veterans Affairs (VA) Office of Inspector General has repeatedly documented inefficient and wasteful procurement of medical supplies and prosthetics by VA. Sporadic and uncoordinated purchasing practices do not allow VA to leverage its significant purchasing power to obtain the best prices for the government. The result is chronic over spending for items VA could buy at lower costs; diminished accountability for items purchased locally; and limited availability of cost effective health-care items.

The procurement reforms in H.R. 3645 will unquestionably result in procurement cost sav-

ings for VA when fully implemented. The Congressional Budget Office agrees this provision will save scarce VA and taxpayer dollars.

Last May, VA's Office of the Inspector General (VA IG) published an evaluation of VA purchasing practices that found a pressing need for reform. That evaluation identified numerous deficiencies in current purchasing practices and linked the cause of deficiencies to an earlier decision not to require health-care item purchases from the cost-effective Federal Supply Schedule (FSS). By eliminating the mandate for FSS procurements, VA decentralized the contracting and procurement process. This provided a financial incentive for many vendors of health-care items to remove their products from the FSS and to seek product sales in generally more profitable local markets.

The VA IG found that local-market purchases had proliferated, often under contracts without the advantage of audit requirements or most-favored customer pricing for the government. Some much ballyhooed success in local purchases of health-care items were overshadowed by many other, less efficient, local contracts.

In June 2001, Secretary Principi created an internal task force to evaluate the procurement system and recommend improvements. Earlier this year, in May 2002, VA issued the Procurement Reform Task Force Report. The report recognized the need for a hierarchical approach to purchasing by using supply schedules or blanket purchase agreements to procure most of its medical supplies. The approach would share some of the characteristics from the oft-praised approach VA takes to purchasing pharmaceuticals. The approach used for the National Drug Formulary ensures that VA closely assesses all the medications within a drug class and makes educated purchases for its facilities based on both the price and the quality of each pharmaceutical in that class. The savings from the National Drug Formulary approach is now estimated at over \$200 million annually.

While VA supports the goal of procurement reform, it wants to use its own unidentified means to ensure that it makes better use of its purchasing power. My concern is that VA will slow walk its own effort through by allowing the vital savings that would accrue to its financially ailing health care system to slip through its fingers. Mr. Speaker, I believe the time for enacting needed VA procurement reform legislation is now.

As I noted before, H.R. 3645 contains numerous provisions. One of these provisions authorizes health care benefits to Filipino veterans. While this provision has long-standing bipartisan support, it has been championed by one Member, BOB FILNER. At BOB'S request, as then Chairman of the Oversight and Investigations Subcommittee, I conducted a hearing near San Diego on the importance of providing Filipino veterans health care services. I commend the dogged determination of the Ranking Member of the Health Subcommittee, BOB'S FILNER, for his work in attempting to win health and benefits parity for certain Filipino veterans. I have long supported his efforts and am pleased the health benefits are included in the legislation.

Mr. Speaker, again, I thank Chairman SMITH and the Chairman and Ranking Member of the Health Subcommittee for a true collaboration on the measure before us today. This meas-

ure reflects the best of the bipartisan tradition of the House Committee on Veteran Affairs. I urge all Members to support H.R. 3645, as amended.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas (Mr. MORAN) that the House suspend the rules and pass the bill, H.R. 3645, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### ARLINGTON NATIONAL CEMETERY BURIAL ELIGIBILITY ACT

Mr. MORAN of Kansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4940) to amend title 38, United States Code, to enact into law eligibility requirements for burial in Arlington National Cemetery, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4940

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

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Arlington National Cemetery Burial Eligibility Act".

#### SEC. 2. PERSONS ELIGIBLE FOR BURIAL IN ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—Chapter 24 of title 38, United States Code, is amended by adding at the end the following new section:

#### "§ 2412. Arlington National Cemetery: persons eligible for burial

"(a) PRIMARY ELIGIBILITY.—The remains of the following individuals may be buried in Arlington National Cemetery:

"(1) Any member of the Armed Forces who dies while on active duty.

"(2)(A) Any retired member of the Armed Forces.

"(B) Any member or former member of a reserve component of the Armed Forces—

"(i) who served on active duty;

"(ii) who was honorably discharged from such active duty service;

"(iii) who, at the time of death, was under 60 years of age; and

"(iv) who, but for age, would have been eligible at the time of death for retired pay under chapter 1223 of title 10.

"(3) Any former member of the Armed Forces separated for physical disability before October 1, 1949, who—

"(A) served on active duty; and

"(B) would have been eligible for retirement under the provisions of section 1201 of title 10 (relating to retirement for disability) had that section been in effect on the date of separation of the member.

"(4) Any former member of the Armed Forces whose last active duty military service terminated honorably and who has been awarded one of the following decorations:

"(A) Medal of Honor.

"(B) Distinguished Service Cross, Air Force Cross, or Navy Cross.

"(C) Distinguished Service Medal.

"(D) Silver Star.

"(E) Purple Heart.

"(5) Any former prisoner of war who dies on or after November 30, 1993.