United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, July 1, 1999*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. EWING).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 1, 1999.

I hereby appoint the Honorable THOMAS W. EWING to act as Speaker pro tempore on this day.

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

PRAYER

The Reverend Chris Geeslin, Harvest Christian Fellowship, Frederick, Maryland, offered the following prayer:

Almighty God, we acknowledge our dependence on Thee, and we beg Thy blessing upon our children, our parents, our teachers, our leaders, and our country.

Gracious Father, we thank You for the great prosperity You have given us, the wealthiest Nation in the world. Yet, we come this morning with sorrowful hearts at the recent tragedies and continued social ills in our Nation.

Lord, we humbly ask that You would heal our land. We rededicate our Nation and ourselves to Your gracious Lordship. Pour out Your love, acceptance, and forgiveness as we come with heartfelt humility and repentance before You.

O God, we recognize that some things cannot be changed by legislation, but only by our Nation being reconciled to You, as stated in Your word, ''If my people who are called by my name will humble themselves and pray, and seek my face and turn from their wicked ways, then I will hear from heaven, I will forgive their sin, and will heal their land.''

Bless this Congress with Your protection, Your provision, and Your priesthood. Give them wisdom to make the right decisions before a holy, righteous and loving God. In Jesus' name, Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. EWING). 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.

Ms. ESHOO. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker pro tempore's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. ESHOO. 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.

Pursuant to clause 8, rule XX, further proceedings on the question of approving the Journal are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

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

Mr. SHIMKUS 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 Mr. Lundregan, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 21. Joint resolution to designate September 29, 1999, as ''Veterans of Foreign Wars of the United States Day''.

WELCOMING REVEREND CHRIS GEESLIN, HARVEST CHRISTIAN FELLOWSHIP, FREDERICK, MD

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute.)

Mr. BARTLETT of Maryland. Mr. Speaker, it gives me great pleasure to introduce to my colleagues a constituent and a friend, Pastor Chris Geeslin.

Pastor Geeslin is a graduate of the Evangel Seminary of Harrisonburg, Virginia, with a Master's degree in theological studies, and is currently a doctoral candidate at the Wagner Institute in Colorado Springs, Colorado.

Pastor Chris resides in Frederick, Maryland, with his wife of 15 years, Maryellen and their four children. Pastor Chris started the Frederick Worship Center, an evangelical transdenominational church in Frederick 19 years ago. His church was instrumental in starting the Crisis Pregnancy Center, my favorite charity; the Downtown Community Church, a ministry to the inner-city of Frederick; and most recently has completed a merger with the Word of Life Church, now called the Harvest Christian Fellowship.

Pastor Chris is also the executive director of Servant Ministries, a hub-ministry for pastors, intercessors, and ministry leaders who desire to be networked in prayer for their community, city, and national leader so that ''none should perish.''

Please join me in welcoming Pastor Chris Geeslin.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize 5 one-minutes on each side.

COMMEMORATING 25TH ANNIVERSARY OF FBI'S ''CRISIS NEGOTIATION PROGRAM''

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

Mr. HYDE. Mr. Speaker, July 5 will mark the 25th anniversary of the Federal Bureau of Investigation's Crisis Negotiation Program. The program created the Crisis Negotiation Unit, which has worked to negotiate the release of hostages for the last 25 years.

We live in a very dangerous world, one that has for two decades seen a steady rise in hostage-taking incidents. We know that we will face new challenges from criminals and terrorists in the next century and that the work of this unit will be even more vital to the security of the American people both at home and abroad.

The FBI Special Agents who serve in the Crisis Negotiation Unit deserve the gratitude of our Nation for their bravery and for their devotion. They deserve recognition of the fact that they have saved the lives of countless hostages and law enforcement personnel in the most dire of circumstances.

The Crisis Negotiation Unit has also protected numerous potential innocent bystanders from harm in many high-profile hostage crises, like the Lufthansa skyjacking at John F. Kennedy Airport in 1993 to many serious incidents that have received little or no publicity.

On behalf of the House of Representatives, I commend and congratulate the Crisis Negotiation Unit and its Special Agents on their 25th anniversary. They deserve our special thanks for a job well done and our prayers for all the dangers they are sure to face in the coming years.

IN APPRECIATION OF THE VETERANS OF THE UNITED STATES

(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, we are about to again celebrate our independence day. I mentioned on the floor yesterday how grateful we should be to all the men and women who wore the uniform of the United States military through the years. Because had it not been for their sacrifice, 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.

Freedom is not free. We paid a tremendous price for it. But it goes beyond freedom in the United States of America. Just in the past decade, we have seen the tearing down of the Berlin Wall, the democratization of all of Eastern Europe, the breakup of the Soviet Union. And we should recognize that the sacrifice of our soldiers have meant freedom and democracy for hundreds of millions of other people all around the world.

So it is a weekend where we should practice great gratitude. And, in my opinion, Mr. Speaker, I hope more and more Americans do what I do every morning when I get up. First I thank God for my life, and then I thank veterans for my way of life.

DEPARTMENT OF INTERIOR COMPLIANCE REQUIREMENT ENDANGERS RANCHING INDUSTRY

(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, the Department of Interior has issued a policy that requires compliance with the National Environmental Policy Act prior to the renewal or transfer of any livestock grazing permits.

Well, the Department now also requires that the Bureau of Land Management complete an environmental assessment or environmental impact statement prior to this grazing permit reissuance or transfer.

If any of these studies are challenged by some extremist special-interest groups or if the analyses are not complete before the permit or lease expires, the permittee is kicked off the allotment without recourse even if the range is in excellent condition.

Completing these analyses and implementing the resulting decisions will likely take many, many years. During those years, the permittee will be excluded from the allotment, essentially destroying their livelihood, and bankrupting another family business.

The problem here, Mr. Speaker, is that NEPA applies to ''a major Federal action significantly impacting the quality of the human environment.'' The Department of Interior has not explained why a simple paper transaction requires years of study.

The Secretary of Interior is attempting to destroy the ranching industry and is assaulting generations of families who have nurtured and cared for our public lands. Such unreasonable regulation is the death of all good business.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces to all the Members that the Chair will recognize up to ten 1-minutes on each side, not five.

MAKING RESEARCH AND DEVELOPMENT TAX CREDIT PERMANENT

(Ms. ESHOO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, yesterday the Research and Development tax credit in our Nation expired. H.R. 835, a bipartisan bill supported by over 150 of our colleagues, would make this Research and Development tax credit permanent.

Mr. Speaker, because the tax credit has expired, we need to act. What are we waiting for? We really should pass this bill because the bill is good public policy. Making the R&D tax credit permanent is critical to the continuing growth of America's economy, especially our new economy.

If this tax credit were made permanent, our GDP would increase by nearly $28 billion over the next 20 years.

American businesses, Mr. Speaker, cannot base their planning on a year-to-year renewal of this credit anymore than the American family should base their financial planning on a year-to-year renewal of the home mortgage deduction.

So now that the tax credit has expired, Congress should extend it. What are we waiting for, Mr. Speaker? Let us take action on this and expand our economy in a new and better way.

SALUTE TO NEW MILITARY SERVICE STUDENTS OF PENNSYLVANIA

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

Mr. PITTS. Mr. Speaker, as we celebrate the Declaration of Independence on the 4th of July this weekend, I rise to talk about the students who will ensure that the United States remains a beacon of freedom throughout the world.

This year I had the pleasure of nominating 25 young men and women from the 16th Congressional District of Pennsylvania to the United States military services academies. A number of those students were appointed to the academies.

This week, those young men and women will start a journey; four years of study at premier institutions of higher learning, followed by active duty in the United States Armed Forces. Throughout their 4 years, they will not only study academics but prepare themselves militarily and physically for service to the Nation as military officers. They are living proof that patriotism is alive at the turn of the millennium, and they are tomorrow's leaders. Therefore, I would like to join their parents and friends in saluting these outstanding students.

PRESIDENTIAL ELECTION DEBATES SHOULD INCLUDE ALL VIABLE CANDIDATES

(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, last November polls in Minnesota said it

was a two-man race for governor. Beam me up. Who were they polling? Bullwinkle? Jesse Ventura, the third candidate, actually won due to the debates and quite frankly he is a breath of fresh air in our country.

That is the reason, another reason, why I have reintroduced my bill that would require that all presidential debates must include every candidate that has a mathematical chance of winning. They qualify on enough State ballots. They qualify for matching funds. They give the American people a choice, and they make the two major party candidates tell us what they really feel.

I yield back Bullwinkle, and I yield back the fact that the Federal Election Commission can do this without my bill.

□ 1015

U.S. MISSES BOAT ON LATIN AMERICAN TRADE

(Mr. CHABOT asked and was given permission to address the House for 1 minute.)

Mr. CHABOT. Mr. Speaker, we have all heard the old expression, ''You snooze, you lose.'' An article in yesterday's Washington Times brings that old expression to mind. It was entitled, EU, that is European Union, Latin Trade Zone Doesn't Include U.S.

It seems that while our government has dawdled, European governments have worked hard to cultivate trade relationships in our own backyard. Latin American countries and the European Union worked toward lowering trade barriers, and our government stands idly by.

Trade means jobs. Trade means economic growth. Trade means a higher standard of living for the American people. Let us not continue to sit back and watch while Europe and Latin America reap the benefits of an aggressive trade policy. Let us work with our trading partners to tear down barriers and open up markets for American products around the world. Mr. Speaker, we can ill afford to be pushed out of the international trade markets. Let us get back in the game.

Mr. DREIER. Mr. Speaker, if the gentleman will yield, I would simply like to congratulate the gentleman on his remarks; and I would like to associate myself with the gentleman's statement.

THE PRESIDENT'S MEDICARE PROPOSAL

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, it is time that this Congress gets smart and starts to invest in our 39 million Medicare beneficiaries. I urge my colleagues to stop hemming and hawing and take heed of the needs of our seniors.

Plainly speaking, the President has a plan to save Medicare by dedicating 15 percent of the Federal budget surplus. The plan modernizes Medicare by adding a vital drug benefit, eliminating the copay on preventive services, providing a buy-in option for the vulnerable and offering needed assistance for low-income beneficiaries. The Republican leadership has no Medicare plan and really has only one choice. Roll up your sleeves, work with the Democrats, save Medicare.

Mr. Speaker, we need to protect our seniors. We can do it and we can do it now.

COMPASSIONATE CONSERVATISM

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

Mr. ROGAN. Mr. Speaker, Dr. Joseph Jacobs wrote an exceptional book about ''compassionate conservatism,'' a slogan today adopted by the distinguished governor of Texas, George W. Bush. The concept reminds me that many liberals go through their lives thinking that they are compassionate because of their willingness to spend other people's money.

So often there is absolutely no recognition from liberals that conservatives share many of the same ultimate goals. But we certainly disagree over the best ways in which to achieve them. That is why we hear day after day on the House floor the motives of conservatives attacked. In my view, the liberal version of compassion has done more harm and has had more devastating consequences on the less fortunate than the most fiscally conservative lawmaker ever could have. Theirs is the philosophy of dependence on government. We conservatives share the philosophy of celebrating individual self-reliance. Compassion is not a product of policy. It is a product of the human heart. There is no compassion in destroying the motivation of the less fortunate to achieve, to grow and to prosper.

MEDICARE

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

Mr. SHIMKUS. Mr. Speaker, since the bipartisan Medicare Commission met, the Medicare debate has come front and center. Republicans want to improve the access of seniors to prescription drugs. No senior should have to worry about whether they can afford the medicines they need to stay healthy. We need to work in a bipartisan manner to solve this problem, putting politics aside. This issue is too important.

The President has recently entered this debate, and we are awaiting bill language, but it brings up some interesting questions. What does the President's plan do? Does it target those most in need? Does it threaten the solvency of Medicare? Does it take money out of the Social Security Trust Fund? Who pays? Will seniors pay higher premiums? Will the Government set price controls? Will all Americans face higher taxes? Will payments to hospitals, doctors and other health care providers be cut? Does the plan address holistic medicine and Medicare fraud, waste and abuse? Will Medicare innovation be threatened? Will seniors be able to participate based upon their choice?

What we need to focus on is providing drug coverage, solvency and choice to our seniors. That is what we will be working for.

PASS RESEARCH AND DEVELOPMENT TAX CREDIT

(Mr. UDALL of Colorado asked and was given permission to address the House for 1 minute.)

Mr. UDALL of Colorado. Mr. Speaker, it is July. Half a year is gone. Next week we will go home to tell our constituents what the House has accomplished. What will we say? If we are candid, we will have to say, not enough.

We have not acted to protect patients' rights. We have not acted to reform campaign finance. We have not acted to help communities respond to growth and sprawl. We have not even done an easy thing like renewing the research and development tax credit. It expired last night.

We need to do better. In fact, we need to make the credit permanent and broaden it. A temporary credit like the one that expired last night is a less effective credit because researchers cannot count on it. Making it permanent would end this uncertainty. A broader credit would benefit small businesses and high-tech entrepreneurial startups. Under the law that just expired, these firms did not benefit. We should go further and use the credit to promote collaboration between the Federal Government, the private sector and universities like the University of Colorado in my district.

Half the year is gone, but half remains. We need to stop wasting time and missing deadlines. Let us pass this tax credit as soon as possible.

TOP TEN TERRIBLE TAX ACT

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

Mr. TANCREDO. Mr. Speaker, the House will soon consider legislation to

implement the budget resolution's call for $778 billion in tax relief over the next 10 years. While I believe today's complicated and cumbersome Tax Code needs to be completely replaced, this will take time as the American people debate alternative tax systems. In the meantime, we can take a major step toward tax simplification by eliminating 10 of the worst taxes in the Tax Code today. We should pull these taxes out by their roots, not just reduce them, trim them or cut them back or decrease them. This will make it more difficult for them ever to grow back again.

That is why I am introducing the Top Ten Terrible Tax Act today—boy, that is quite alliterative—which would completely eliminate 10 of the most egregious taxes on the American people, including estate and gift taxes, the tax on telephone calls, capital gains taxes and the tax increase on Social Security beneficiaries. The American people deserve to keep more of their hard-earned money and the Top Ten Terrible Tax Act would provide much-needed tangible tax relief to every American.

THE JOURNAL

The SPEAKER pro tempore (Mr. EWING). Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal.

The question is on the Speaker's approval of the Journal of the last day's proceedings.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCNULTY. 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 358, nays 56, answered ''present'' 1, not voting 19, as follows:

[Roll No. 262]

YEAS—358

Abercrombie
Ackerman
Allen
Andrews
Armey
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Coyne
Cramer
Crowley
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Everett
Ewing
Farr
Fattah
Fletcher
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pascrell
Paul
Payne
Pease
Pelosi
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Toomey
Towns
Traficant
Turner
Upton
Vento
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—56

Aderholt
Baird
Bilbray
Bonior
Borski
Clay
Costello
Crane
DeFazio
English
Filner
Ford
Frank (MA)
Gephardt
Gillmor
Hall (OH)
Hastings (FL)
Hefley
Hilliard
Hinchey
Kucinich
LaFalce
Lee
LoBiondo
Markey
McDermott
McGovern
McNulty
Meek (FL)
Meeks (NY)
Miller, George
Moran (KS)
Neal
Oberstar
Pallone
Pastor
Peterson (MN)
Pickett
Pomeroy
Ramstad
Riley
Sabo
Schaffer
Schakowsky
Stupak
Sweeney
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Weller

ANSWERED ''PRESENT''—1

Carson

NOT VOTING—19

Archer
Blunt
Brown (CA)
Conyers
Cox
Cubin
Cummings
Ehrlich
Evans
Fossella
Green (TX)
Hutchinson
Hyde
Nadler
Rangel
Scott
Tierney
Wise
Young (AK)

□ 1106

So the Journal was approved.

The result of the vote was announced as above recorded.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 234 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 234

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. EWING). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from South Boston, Massachusetts (Mr. MOAKLEY), the distinguished ranking minority member of the Committee on Rules, pending which I yield myself such time as I might consume. During consideration of this rule, all time that I will be yielding is for debate purposes only.

Mr. Speaker, the resolution provides for the consideration of the conference report to accompany H.R. 775, the Y2K

Act. The rule waives points of order against the conference report and its consideration. The rule further provides that the conference report be considered as read. This rule is a fair rule which will enable the House to expeditiously consider this important and very timely matter.

Mr. Speaker, we all know the year 2000 is right around the corner, and most Americans have heard that some computers may, I underscore may, have a problem dealing with this historic date change. Now, I am not an alarmist, and I hope that we will not suffer major problems, but that does not mean that we can sit back and ignore this very important issue.

The fact is we live in the computer age. We have a digital economy. Therefore, we have a responsibility to do what we can to help people solve Y2K problems before anything goes wrong. That is what we are doing here today by passing this bipartisan conference report on H.R. 775, the Year 2000 Readiness and Responsibility Act.

Mr. Speaker, I come to this issue with the belief that the American private sector is clearly the most energetic, creative, and powerful force in the world. In particular, our high technology, computer and software companies are the best and the brightest. If anyone is up to tackling this technology challenge, they are. Mr. Speaker, I am very glad that they are on our team.

But make no mistake about it, there are some hurdles standing in the way of the kind of teamwork and cooperation needed to solve Y2K problems. A broad coalition of private sector companies believe that uncertainty regarding unbridled Y2K litigation is the biggest hurdle for them of all. This view is not limited just to the high-tech and computer companies. It cuts across the business community large and small, including retail, manufacturing, and services alike.

Fixing the Y2K computer bug should not be a partisan issue. That is why over a year ago I began to work with my colleagues on both sides of the aisle, and with a broad private sector coalition, to enact a targeted Y2K litigation reform bill. Mr. Speaker, I am happy to say that we are now nearing the finishing line.

In particular, I want to applaud the work of my colleagues, the gentleman from Virginia (Mr. DAVIS), the gentleman from California (Mr. DOOLEY), the gentleman from California (Mr. COX), the gentleman from Virginia (Mr. MORAN), and the gentleman from Alabama (Mr. CRAMER) for joining in this bipartisan introduction of H.R. 775.

The conference agreement is clearly a product of compromise, and that is not a criticism of it. It says a lot about the leadership and skill of our colleagues, the gentleman from Virginia (Mr. GOODLATTE), and the gentleman from Illinois (Mr. HYDE), and the gentleman from Detroit, Michigan (Mr. CONYERS), and the gentlewoman from California (Ms. LOFGREN).

I will say that I greatly appreciated when the gentleman from Michigan (Mr. CONYERS) was able to sit upstairs in the Committee on Rules with the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Virginia (Mr. DAVIS) in support of this conference agreement.

When I joined my friend from Fairfax, Virginia (Mr. DAVIS) in introducing H.R. 775 on February 23, we talked about the importance of enacting meaningful bipartisan Y2K litigation reform as quickly as possible this year so that we would lift the shadow of frivolous litigation in time to do some good. Mr. Speaker, that is exactly what we are doing today.

So I strongly urge all of my colleagues to support this bipartisan conference report. It is a credit to this institution and to the bipartisan teamwork that is so often critical to enacting meaningful legislation. So I urge support of both the rule and the conference report.

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

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

Mr. Speaker, I thank the gentleman from California (Mr. DREIER), my dear friend, the chairman of the Committee on Rules for yielding me the customary half hour.

Mr. Speaker, when the House version of this bill came to the floor a few weeks ago, it was a massive tort reform package masquerading as a way to exterminate the millennium bug. The version of that bill was dangerous and probably would have made matters even worse. Fortunately, this bill has changed significantly from the original version. Although I still have some concerns over the measure, it is still a vast improvement over the last version.

Mr. Speaker, in exactly 6 months, all of us will find out whether the predictions of doom and gloom surrounding the event of the year 2000 are all they are cracked up to be. We will see whether or not medical care, food safety, and environmental safety are compromised in any way because, right now, high-tech companies from Boston to Silicon Valley are working very hard to correct their programs in order to ward off potential disasters. I certainly hope that they succeed.

But in case they do not, Mr. Speaker, they should be held responsible for problems that might arise within reason because even though we need to weed out frivolous claims and encourage alternatives to lawsuits, we still need to preserve the people's judicial recourse.

What I would prefer, Mr. Speaker, is for companies to work out these problems before anything horrible happens. I hope this bill will help get us there, and I hope Congress will keep working with the high-tech firms to help them fix the problem now so that we can minimize the amount of pain and suffering felt in the days following January 1, 2000.

Mr. Speaker, I urge my colleagues to support this rule.

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

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

Mr. Speaker, I have no speakers at this time, and I would urge that we move ahead with the expeditious consideration of this rule. I hope that my friend on the minority could help us move along.

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

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentlewoman from California (Ms. LOFGREN).

□ 1115

Ms. LOFGREN. Mr. Speaker, I am very pleased to support the rule on this conference report and look forward to voting for the conference report itself. I think that this is a good example of what we can accomplish when we extend our hands across the aisle and work in a bi-partisan way to come up with solutions that are practical and effective.

As I mentioned about a week ago today, there are probably a dozen different ways we could draft a bill that would address the Y2K issues. The conference report is one of them. There is no one way it is perfect, but certainly it is workable and one approach that I think will gain broad support in this House on both sides of the aisle.

I wanted to say something else today about bi-partisanship. I want to note that yesterday, once again, as has happend for years now, the research and development tax credit expired. This is a terrible situation that we have allowed to occur once again. High-tech companies in Silicon Valley become frustrated when the research and development tax credit expires each year. And, as we know, if the research and development tax credit is not lengthy or permanent, it is very difficult to get the maximum value out of that research and development tax credit.

That's why I and 157 other Members of this House, support H.R. 835, a bill to make the research and development tax credit permanent. We have not yet acted on this bill. I would therefore ask, in the spirit of bi-partisanship evidenced by this Y2K bill, that we bring the R&D permanent tax credit to this floor for a vote no later than the week of July 12. I know that once we get the R&D tax credit to the floor, we will have an overwhelming vote in support of that permanent extension. I look forward to doing that.

I do not want, as has happened several times each year in the past, to have a gap where the R&D tax credit was not renewed and, did not exist, as it does not exist today.

We know from the 1998 study by Coopers & Lybrand that the permanent R&D tax credit would likely have prompted an additional $41 billion in research and development investment from 1998 through 2010, a 31-percent return on investments.

So let us celebrate what we have achieved here on the Y2K remediation bill, and let it serve as a challenge to us to do the same thing with regard to the R&D tax credit by making it permanent.

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

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to simply congratulate my California colleague on her superb statement, and I would say that the spirit of bipartisanship which we have shown on this Y2K litigation reform bill is, I hope, a model we can use not only for, as she said, research and development tax credit, making that permanent, but also in just a few minutes when we consider the very important rule on H.R. 10, financial services modernization.

With that, I urge support of the rule and the conference report.

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

The SPEAKER pro tempore (Mr. EWING). All time has expired.

Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. 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 423, nays 1, not voting 10, as follows:

[Roll No. 263]

YEAS—423

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Kucinich

NOT VOTING—10

Becerra
Brown (CA)
Brown (FL)
Cox
Doolittle
Ehrlich
Fossella
Green (TX)
Lewis (CA)
Pickett

□ 1141

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. DOOLITTLE. Mr. Speaker, on rollcall No. 263, I voted "yes" on the Y2K Rule, but my vote was not recorded. On the subsequent vote, I discovered that my voting was not being read by the voting machine. The card has been turned in for replacement. Had I been present, I would have voted "yes."

PROVIDING FOR CONSIDERATION OF H.R. 10, FINANCIAL SERVICES ACT OF 1999

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 235 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 235

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed 90 minutes, with 45 minutes equally divided and controlled by the chairman and ranking minority member of

the Committee on Banking and Financial Services and 45 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of the Rules Committee Print dated June 24, 1999. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1145

The SPEAKER pro tempore (Mr. EWING). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), 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, this legislation before us is a structured rule providing for the consideration of H.R. 10, the Financial Services Modernization Act of 1999. Passage of this rule today is another step in the long and carefully considered repeal of the Depression-era rules that govern our Nation's modern financial services industry.

The rule provides for 90 minutes of general debate, 45 minutes equally divided between the chairman and the ranking member of the Committee on Banking and Financial Services and 45 minutes divided equally between the chairman and ranking member of the Committee on Commerce.

The rule also waives all points of order against consideration of the bill. The rule makes in order an amendment in the nature of a substitute consisting of the text of the Committee on Rules print dated June 24, 1999, as original text for the purposes of amendment.

The rule also waives all points of order against the amendment in the nature of a substitute.

The rule further provides that no amendment to the amendment in the nature of a substitute shall be in order except those printed in the Committee on Rules report, which may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and opponent, and shall not be subject to amendment and shall not be subject to a demand for a division of the question.

The rule also waives all points of order against the amendments printed in the report.

The rule allows the chairman of the Committee of the Whole to reduce voting time to 5 minutes on any postponed question, provided voting time on the first in any series of questions is not less than 15 minutes. Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, this rule allows for consideration of a total of 11 amendments, five which are offered by the Democrats on a bipartisan basis. The rule, like the underlying legislation, deserves strong bipartisan support.

Ten of the amendments made in order with this rule are debatable for 10 minutes each. They address important issues such as limitation of fees associated with acquiring financial products and taking steps to prevent institutions from requiring customers to purchase insurance products as a condition of receiving a loan and other important items.

This rule also allows 30 minutes of debate on an important amendment, crafted in a bipartisan manner to strengthen the bill's provisions related to maintaining the privacy of a consumer's personal financial information.

This privacy amendment is truly historic. It represents the strongest proconsumer privacy language ever considered by the House.

This work product that we present today comes as a result of extensive work out of two major committees, including the Committee on Banking and Financial Services and the Committee on Commerce who have primary jurisdiction over this bill. In an intensely bipartisan effort to bring together or to merge the best parts of both of these bills, colleagues of mine on the Committee on Rules on both sides of the aisle have crafted what I think is the best legislation for America. In fact, a senior member of the Committee on Banking and Financial Services, the gentleman from Minnesota (Mr. VENTO), yesterday stated in testimony before the Committee on Rules, and I quote, ''Obviously the issues with privacy that have been worked out here are stronger than either bill from the other committees.'' This compromise is well crafted and bipartisan.

Mr. Speaker, this rule meets the twin goals the Committee on Rules grappled with yesterday, allowing fair and vigorous debate on various alternatives, yet moving this delicate compromise forward to House passage.

Mr. Speaker, 65 years ago, on the heels of the great Depression, the Glass-Steagall Act was passed, prohibiting affiliation between commercial banking, insurance and securities.

However, merely 2 years after passage, the first attempt at repealing Glass-Steagall was instituted by Senator Carter Glass, one of the sponsors of the legislation. He recognized that changes in the world and in the marketplace called for more effective legislation.

Two generations later, the need to modernize our financial laws is more appropriate than ever.

There is no doubt about it, reexamination of regulation of the financial services industry in America is a complicated matter. Congress recognizes that busy American families where many times both parents work to make ends meet have little time to consider complicated banking law. But Congress now is working again to repeal Glass-Steagall with exactly these hard-working Americans in mind.

This legislation is designed to give all Americans the benefit of one-stop shopping for all their financial services needs. New companies will offer a broad array of financial products under one roof, bringing convenience and competition. More products will be offered to more people at a lower price.

As a result of this legislation, Americans will have more time to spend with their families, more money to spend on their children, and the opportunity to save for their future.

Americans deserve the most efficient borrowing and investment choices. Americans deserve the freedom to pursue financial options without being charged three different times by three different companies for a product.

This legislation is designed to increase market forces in an already competitive marketplace to drive down costs and broaden the number of potential customers for securities and other products that are before us today.

Mr. Speaker, I urge my colleagues to support this well-balanced rule that is an extremely complicated and delicate piece of legislation.

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

Mr. MOAKLEY. Mr. Speaker, I thank my colleague from Texas for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, Congress has been working on a banking modernization bill for decades. Last night, June 30, 1999, we finally had a chance to get it right. Last night, we had a bill that managed the confusing crossroads where banks, insurance companies and securities industries meet. It had bipartisan support in two committees. It would have passed the House overwhelmingly. It would have been signed by the President quickly. And for the first time since 1933, Mr. Speaker, the United States would have updated its banking laws.

But, for some reason, the Republican leadership decided that it was more important to keep Democrats out of the process than to pass this banking bill. After years, Democrats and Republicans together worked out a bill to modernize financial services, but the Republican leadership decided to make war instead of history and remove several important provisions because they were authored by Democrats.

This pattern of sabotaging bills with overwhelming bipartisan support in committees then removing Democratic-authored provisions and passing bills by the narrowest of margins with the fewest Democratic votes is becoming more the rule than the exception.

Mr. Speaker, we do not have to look any further than the agriculture appropriations bill, the legislative branch appropriations bill, the DOD rule and the juvenile justice bill to see the pattern that has emerged.

Mr. Speaker, why does the Republican leadership feel compelled to do this? On a substantive level, it is the American people who ultimately lose out.

The gentlewoman from California (Ms. LEE) had an amendment to require insurance companies to treat people from low-income areas the same as anyone else. It passed the Committee on Banking and Financial Services. It was part of the bill. And, last night, the Republican Committee on Rules took it out.

The gentlewoman from New York (Ms. SLAUGHTER) had an amendment to strengthen family decision-making by requiring parents' signatures on credit card increases for children under 18. Last night, the Committee on Rules' Republican members refused to allow it.

The gentleman from Massachusetts (Mr. MARKEY) had an amendment to protect people's private information from becoming part of Big Brother's marketing arsenal. Last night, the Republican leadership refused to allow it.

The gentleman from Oklahoma (Mr. LARGENT) had a great amendment, to enable the Federal Reserve to protect small towns and rural areas from being taken over by mega-banks the way hardware stores have been taken over by Wal-Mart. It was part of the Commerce bill. Last night, the Republican Committee on Rules took it out.

The gentleman from California (Mr. CONDIT) had an amendment to keep people's personal medical records private. Last night, the Committee on Rules refused to allow it.

The gentlewoman from Colorado (Ms. DEGETTE) had an amendment to prohibit insurance companies from discriminating against victims of domestic abuse. It passed the committee overwhelmingly, but the Republican leadership took it out.

Meanwhile, for some reason, Mr. Speaker, that I still cannot fathom, last night the Republican leadership included an amendment which will shut down the Bank Secrecy Act and cripple law enforcement's ability to trace and recover ill-gotten money.

In other words, the Republican leadership is protecting the privacy of suspected felons while at the same time opening up the private lives of American families. They are choosing enormous corporations over victims of abuse and profits over progress.

Mr. Speaker, when this new Congress began, I was hopeful about the new Republican leadership. I was hopeful they would put partisanship aside, reinvigorate the committee process and pass some bills to help the American people. But, Mr. Speaker, I am very sorry to see that party politics is still winning out over responsible legislating, and I think it is time the American people get a little more from their Congress.

Mr. Speaker, I feel the American people have had enough investigations, they have had enough partisanship. They want their Medicare protected, they want their Social Security shored up, they want their medical records kept private, and they want their banks to operate fairly.

□ 1200

They want their Congress to pass some bills, even if Democrats vote for them, that will make their lives just a little bit easier, their children a little bit safer and their world a little bit fairer.

Mr. Speaker, I am sorry that I have to withdraw my support from this rule. I hoped we could have passed this bill with a wide range of support. I had hoped the American people would be put first.

I urge my colleagues to oppose this rule.

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

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

Mr. Speaker, I am very pleased and honored to have the gentleman from Massachusetts (Mr. MOAKLEY) to stand up and to talk about this process that we have been going through. As he is well aware, for many weeks we have worked together in a bipartisan basis. It is absolutely true that last night we came at the time a vote was necessary for us to decide what would be made in order, and I would like to reiterate that there were 11 amendments, 5 which were offered by Democrats or on a bipartisan basis that were accepted, and one of those amendments that was accepted was crafted very carefully, with a lot of hard work by the gentlewoman from Ohio (Ms. PRYCE).

Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE) to join in this debate.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding this time to me. I rise in strong support of this fair and balanced rule which the House or which allows the House to debate and vote on the Financial Services Act. Updating our Nation's antiquated banking laws has been a goal of Congress for nearly 20 years, and we are finally standing on the doorstep of success. The journey to this point has been arduous, but those of us who have worked on this legislation understand the great benefit to our Nation's competitiveness and to American consumers who will enjoy more seamless financial services as a result.

The delicately crafted compromise legislation that will allow us to achieve these goals is protected by this balanced rule, and anyone who claims to be for financial services modernization should support the rule. It is our best chance to go forward.

There are many who have sacrificed their own key issues and set aside their view of a perfect world in order to achieve the laudable goals of financial modernization, but, Mr. Speaker, sadly last night the spirit of compromise and sacrifice broke down in spite of the fact that 5 of 11 of the amendments that were adopted had Democratic names on them; broke down, and my Democrat colleagues on the Committee on Rules decided to undermine the years of hard work and jeopardize the success of financial modernization over the fate of one amendment.

Perhaps more disappointing is their decision to dishonor a commitment to bipartisanship on the bill and on an amendment that will protect the privacy of consumers' financial personal information. This is not a policy issue. The substance of the privacy amendment has not changed. It is a case of political one-upsmanship that dismisses the interest of the American people.

I hate to say it, but it appears that the Democrats are grasping at straws to find any issue with traction that bolsters their political advantage whether or not the policy is sound.

As a moderate Republican and a person who advocates reaching out across

party lines to build consensus, I have to say that today I understand the public's cynicism about politics and politicians. It is truly a sad day for America when their elected representatives expend their energy to create chaos for political gain rather than progress for the American people. It is no wonder the American people are jaded. I know I am. But I cling to the hope that we will use our better judgment and redeem ourselves by voting to pass this rule and moving forward to pass historic bipartisan financial modernization legislation. I urge a yes vote on the previous question and the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. FROST), a member of the Committee on Rules and the caucus chair.

Mr. FROST. Mr. Speaker, it is with great sadness that I rise in opposition to this rule. I do so, Mr. Speaker, in spite of my efforts to work with the Republican majority to pass a meaningful and bipartisan financial services modernization bill.

Mr. Speaker, I must oppose this rule because the Republican majority has deliberately given short shrift to redlining, an issue fundamental to Democrats and has denied us even the right to bring this subject up on the floor today. Democratic opposition to this rule because of this move on the part of the Republican leadership should come as no surprise. I would like to review how we reached this situation.

Several weeks ago, I was encouraged by the Republican leadership on the Committee on Rules to work on a bipartisan solution to the issue of financial privacy. I along with ranking Democrats on the Committee on Banking and Financial Services, the gentleman from New York (Mr. LAFALCE) and the gentleman from Minnesota (Mr. VENTO) worked closely with my colleague on the Committee on Rules, the gentlewoman from Ohio (Ms. PRYCE) to develop a reasonable compromise on what has become a very contentious issue. We believed we had come up with just such a compromise. While our amendment gained support of a number of members of the Democratic Caucus, a significant number of our caucus oppose it because they believe it does not go far enough.

While my Democratic colleagues and I were working to fashion this compromise, it came to my attention that the leadership of the Committee on Banking and Financial Services and the Committee on Commerce had unilaterally dropped from H.R. 10 an important provision relating to insurance redlining against minorities and women. This provision had been part of the Committee on Banking and Financial Services bill reported by the Committee on Banking and Financial Services, and its inclusion had been instrumental in assuring the large bipartisan majority approval of the bill in the Committee on Banking and Financial Services.

The gentleman from Iowa (Mr. LEACH) had been told by his ranking member that this provision had to stay in the text of the bill in order for Democrats to continue to support the bill. Yet when the Committee on Banking and Financial Services and the Committee on Commerce Republicans met to reconcile the two differing versions of the bill, the antiredlining language was dropped.

Let us talk about what was dropped. This is a provision that seeks to prevent a financial holding company from engaging in the new activities allowed by H.R. 10 if an affiliated insurance company engages in discriminatory insurance redlining. Mr. Speaker, this is a fundamental issue for Democrats. This is an issue of fairness and equity. It is an issue that divides right from wrong.

I told the Republicans on the Committee on Rules in no uncertain terms that it would be unlikely that a single Democrat would vote for this rule if this language were not restored to the bill either by incorporating it into the base text or allowing an amendment to restore it on the floor. Let there be no mistake. I made this very clear long before last night's meeting. This was no surprise.

Yet, Mr. Speaker, last night the Republican majority on the Committee on Rules cavalierly ignored my advice. By doing so they have created a situation in which it is impossible to consider this bill on a bipartisan basis. They have thrown away the bipartisan goodwill and the hard work and dedication to the issue of financial services modernization as well as the hard work that went into what could have been a true bipartisan compromise on the most contentious issue of the bill, that of financial privacy.

It is clear that the Republican leadership has decided to try to pass this rule without Democrat support. In doing so they have made a decision to jeopardize essential and critical legislation if even a few members of their own party desert them. Stated more simply: The Republican leadership runs the very real risk of snatching defeat from the jaws of victory.

This is a tragedy for our country. It is high time that we pass financial modernization legislation, that we leave behind the depression era laws that hamstring the financial services industry and prevent them from becoming truly competitive in the global marketplace. With the hard work of a number of Members of good will on both sides of the aisle, that objective was in sight, yet, Mr. Speaker, the Committee on Rules majority last night denied the one amendment that could have guaranteed passage of the rule and perhaps the bill.

I cannot understand how the Republican leadership could let this happen. But their decision has been made, and now all of us must live with the consequences.

Mr. SESSIONS. Mr. Speaker, I yield 2 minute to the gentleman from Findley, Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Speaker, the gentleman protested too much.

When I came to the Committee on Rules yesterday in support of the bipartisan amendment on privacy and I was greeted by my friends on both sides of the aisle saying that we had a positive amendment that was going to deal with the privacy issue, it was supported by broad sectors of both parties, and when I left the Committee on Rules late yesterday afternoon, my assumption was that not only would that amendment be made in order, but the amendment would be cosponsored by Democrats and Republicans alike. When I found out later that evening, last evening, that there had been a failure on the part of my friends on the Democratic side to cosponsor the bill, I was deeply offended.

Now I do not get on this floor very often and get partisan, but I am telling my colleagues, around this place your word is your bond, and if you tell me that you are going to cosponsor an amendment with me, I fully expect that you will carry through. And the fact is that because of some political gamesmanship and somebody trying to take partisan advantage of somebody of goodwill, we find ourselves today in a partisan debate over an issue like financial services that has been bipartisan and supported by bipartisan majorities in both the Committee on Commerce and the Committee on Banking and Financial Services. And I think it is an outrage, an outrage, for people like me who acted in good faith to have the rug pulled out from under me because of some political game playing.

Now I want everybody to support the rule. This is a good rule, it is a fair rule, and I suspect that when our amendment is offered on the floor, there are going to be a lot of Democrats who were going to cosponsor that amendment who were going to vote with us on that amendment because they thought it was a good amendment last night and they think it is a good amendment today.

So let us support the rule, let us get away from this nonsense of partisanship, pass this rule and pass this historic legislation as well.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member on the Committee on Banking and Financial Services.

Mr. LAFALCE. Mr. Speaker, I regret so very much that I must come here and oppose the rule because from the beginning of this Congress I have worked so closely with the chairman of the Committee on Banking and Financial Services, the gentleman from Iowa

(Mr. LEACH), the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), and so many Members on my side of the aisle such as the gentleman from Minnesota (Mr. VENTO), et cetera, to craft a bill that we could wrap up and give almost as a gift and say: Pass it. And I think we did, and unfortunately last night the gift was unraveled.

We thought that there would be basic Committee on Banking and Financial Services text. In considerable part there was, but in some important parts there was not. For example, the issue of insurance redlining, I advised my chairman that this was taking on increased importance. I went to the Committee on Rules and said, I have a consumer amendment that I would like to offer with four parts; the most important part is the Barbara Lee amendment. I cannot begin to tell you how many Democratic votes I might lose if this is not base text or at least permitted as an amendment.

There was something else I said too: Look at the gentleman from Ohio (Mr. OXLEY), he said we worked out a good bipartisan amendment on privacy. He is right, it is good. It could be better, no question about it, but it is very, very good. But on the issue of medical privacy, which is totally different, I said we have a big concern.

Virtually every medical association and health association in the entire United States is concerned. We can deal with that concern by either making crystal clear, explicit that the language on medical privacy does not preempt the right of the Secretary of HHS to issue regulations subsequent to August 21, and the bill, the amendment of the gentleman from Iowa (Mr. GANSKE), just does not do that, it does not address the issue. Or alternatively, take the amendment of the gentleman from California (Mr. WAXMAN) which would delete the medical privacy provisions. The amendment of the gentleman from Ohio (Mr. OXLEY) and myself and others does not deal with that issue at all; that is in base text now.

They did not do that. They allowed some other amendments that are atrocious, that undermine the Bank Secrecy Act. It would permit the redomestication of mutual insurance companies that has nothing whatsoever to do with financial services.

□ 1215

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Atlanta, Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding the time.

Mr. Speaker, I rise in strong support for House Resolution 235, a structured rule providing for consideration of H.R. 10, the Financial Services Act of 1999.

Mr. Speaker, what we are witnessing this afternoon is the politics of legislative destruction. There are some in this Congress whose game is to stop important legislation, especially historic legislation, and there should be no doubt that this banking bill is an historic accomplishment.

This bill has been painstakingly crafted to achieve a balance between all of the parties, and we have a great opportunity to promote competition, protect consumers and give firms the ability to compete globally as we enter the 21st century, and this rule will hold together the compromise legislation that Members have constructed after many years of hard work. Unfortunately, because some Members did not get everything they wanted, they decided to threaten the passage of the legislation.

Earlier this week, we had a strong, bipartisan privacy amendment with Democrat and Republican cosponsors. I sat through 4 hours of testimony in the Committee on Rules yesterday, and leading Democrats on the Committee on Banking and Financial Services argued that this privacy legislation was a great accomplishment and that the language would benefit American consumers. Then last night, because they did not get everything they wanted, some Members took their names off the bipartisan amendment and decided for partisan purposes to jeopardize this important legislation.

Perhaps because of this kind of partisan demagoguery, and we are going to hear the minority demagogue privacy and redlining all afternoon, much of the financial services industry remains the same as it was 66 years ago. We have a chance to change the New Deal regulations that locked down certain activities and interests of financial security. H.R. 10 will free the market to determine the future of the financial services industry.

I am also surprised that any Member would endanger banking modernization, because the timing of this legislation is critical. American institutions are losing market share to foreign financial institutions. This bill will modernize the industry and relieve U.S. financial institutions of their current international competitive disadvantage.

It comes down to this: The philosophy of this Congress is to encourage competition in order to provide more efficient service and superior products to the consumer. We did that in telecommunications. We put market forces to work in crafting Medicare. Today we lay the foundation for a new financial services industry that creates more choices and lower prices for consumers and enables companies to compete in the global marketplace.

Are all the interested parties happy with everything in the bill? No, certainly not; including me.

There is an amendment that I wish were made in order but it could not be, and that is probably a pretty good indication that we have a good piece of legislation in front of us.

I urge all of my colleagues to ignore the demagoguery, understand that there is an effort here to make a partisan victory. Support this rule and pass this historic legislation.

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

Mr. Speaker, I was just handed a letter written by Robert Rubin, Department of Treasury, who I am sure is not engaged in this political plight. I would like to read a paragraph.

''While the amendment purports to be about bank customer privacy, in reality it will significantly undermine the crucial law enforcement tool, the Bank Secrecy Act. The amendment would eliminate the mandatory reporting of suspicious activity, enabling money launderers to deposit as much as $25,000 of dirty money with no report being filed, and eviscerate provisions aimed at preventing money laundering at financial institutions.'' Signed Robert Rubin.

This was done away with as a result of the Paul amendment.

Mr. Speaker, I include the letter for the RECORD.

DEPARTMENT OF THE TREASURY,
Washington, DC, July 1, 1999.

Hon. RICHARD A. GEPHARDT,
Minority Leader,
House of Representatives, Washington, DC.

DEAR DICK: I write to express my concern about the Paul-Barr-Campbell amendment to H.R. 10, the Financial Services Act of 1999. The Department of the Treasury strongly opposes this amendment.

While the amendment purports to be about bank customer privacy, in reality it will significantly undermine a critical law enforcement tool—the Bank Secrecy Act (BSA). The amendment would eliminate the mandatory reporting of suspicious activity enable money launderers to deposit as much as $25,000 of dirty money with no report being filed, and eviscerate provisions aimed at preventing money laundering at financial institutions.

For nearly 30 years, the BSA has been a critical component of our attack on money laundering. Its requirements help prevent the placement of dirty money in our financial institutions and provide information vital to detecting and investigating money laundering. Combating money laundering, in turn, has proven to be a remarkably effective way to attack drug cartels and other criminal groups. In Operation Casablanca, the largest drug money laundering case in U.S. history. Customs used suspicious activity reports (SARs) and currency transaction reports (CTRs) to identify subjects and assets linked to the overall conspiracy. By weakening these BSA reporting requirements, Paul-Barr-Campbell would mark a retreat in our fight against narcotraffickers.

In addition to keeping drug money out of our financial institutions, the record-keeping and reporting requirements also help law enforcement detect and investigate financial crimes aimed at those institutions. According to the FBI, during FY 1998, it used SARs in 98 percent of the cases initiated by its financial institution fraud unit. In the same period, the Department of Justice secured

2,613 fraud-related convictions in cases involving SARs, and restored more than $490 million in proceeds to victims of fraud schemes.

Every Administration since 1970 has supported the BSA. Because of the BSA, the United States is viewed as a leader throughout the world in assuring that individual freedom and reasonable financial transparency are not only compatible but go hand in hand. I urge you to support law enforcement and protect the integrity of our financial institutions from drug traffickers and other criminals by opposing the Paul-Barr-Campbell amendment.

Sincerely,

ROBERT E. RUBIN.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, this is a bad rule. It is a bad bill, and the process is arrogantly crafted to deny the House the opportunity to consider important questions.

It is the function of the Committee on Rules to make possible an orderly debate but also to see to it that important national questions are discussed. This is not a rule; it is a gag rule.

The committee has chosen to deny the committees and the Members of this body opportunities to discuss very important matters.

The rule is unfair to taxpayers. It greatly prevents us from addressing the question of how we will assure that banking insurance paid for by the taxpayer will not be used to cover risky, speculative activities. No amendment can be offered on this point.

The rule is unfair to consumers. The rule does not permit amendments to restore consumer protections stripped out of the bill by the Committee on Rules.

The bill preempts more than 1,700 State insurance laws across the country, and, if this bill passes in its current form, every State insurance law that is to protect consumers of insurance products will be essentially rendered null and void.

We will be allowed to consider one consumer-related provision. That is an amendment to deny consumers meaningful information on the costs of products that they buy, and we will change that.

This rule is unfair to investors. The bill still contains enormous loopholes in investor protections when securities are sold or underwritten by banks. An amendment to close just one of those loopholes was denied by the Committee on Rules.

The worst thing that this bill does is it denies protection of privacy of American people. It does not allow the ordinary citizen to know that his personal financial information is not going to be thrown around wherever the holder of that particular information might choose to place it.

We have an amendment which would have assured protection of that. That amendment is prohibited by this rule.

In like fashion, the medical information of every citizen is, under this legislation, thrown open to the gaze of all. The result of that, of course, is going to be significant loss of personal privacy by ordinary citizens with regard to medical conditions and medical care.

I think that is wrong. The Committee on Rules did not permit an amendment to address that question.

My question to the Republican leadership, my question to the Committee on Rules is: What are they afraid of? Why is it they are gagging this body? Why is it that they refuse to allow these questions to be debated?

Let us allow the House to work its will. Let us allow fair consideration of all of the important questions that need to be addressed. If my colleagues are right, I am sure they will prevail. If they have the votes, they might even prevail when they are not right, but the hard fact of the matter is at least allow the House to address these questions. They are important.

I am sorry to see the day when the Committee on Rules would exert such outrageous power.

Mr. SESSIONS. Mr. Speaker, I would inquire as to the time remaining on both sides.

The SPEAKER pro tempore (Mr. EWING). The gentleman from Texas (Mr. SESSIONS) has 15½ minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 14 minutes remaining.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Des Moines, Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, as Members on both sides of the aisle know, I have stood on this floor night after night talking about abuses in the HMO industry and insurance, and I do that not to bash the insurance industry but to try to protect patients.

There is a provision in this bill that I think helps protect consumers. We are talking about creating an entity that combines insurance, banking and securities. I think there should be a provision in this bill that protects a person who has insurance information on their health from having that information transferred over to the banking side.

I do not want information like this, or HIV positive status, being transferred to the banking component. So in this bill there is a provision that was passed by the Committee on Banking and Financial Services with a lot of Democrat votes. Most of the Democrats on the Committee on Banking and Financial Services voted for this language that says that unless a consumer authorizes, someone cannot take that health information from the insurance portion and transfer it to the banking portion, or outside of it.

Nothing in this legislation precludes the Secretary of Health and Human Services from going ahead and issuing her regulations. I want it to be on the record that the intent of the author of this provision, me, specifically says this legislation does not preclude the Secretary from going ahead and issuing regulations. Specifically in this bill, this language, it says that if comprehensive medical privacy legislation passes, it supersedes this language. This is an important consumer consideration. We should have something in this bill that protects a consumer from thinking that their private health insurance information can be shared with those affiliates within that financial services company.

This is a consumer protection. Does it go as far as some of the people who want comprehensive language? No. Does it deal with research? No. Those are very complicated issues that we need to deal with, but this is something that we all should support, and I urge my colleagues to support the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. MARKEY), the author of the privacy amendment that was not allowed.

Mr. MARKEY. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, this is a terrible rule. The gentlewoman from California (Ms. LEE) in the Committee on Banking and Financial Services wanted an amendment to protect against insurance companies redlining the poorest people in our country. The Committee on Rules strips out the protection for those poor people, just strips it out. That is not fair. It is a bad rule.

I won my amendment in the Committee on Commerce guaranteeing the protection of privacy for the checks, for the mortgages, for the insurance records, for the brokerage receipts of every American, inside the bank, outside the bank. The Committee on Rules strips it out. They will not allow for those protections to be built into this bill, and no amendment will be put on the floor which makes it possible.

The gentleman from California (Mr. CONDIT) asked the Committee on Rules to put in order an amendment which would allow for medical records, your children's Ritalin, your daughter's anorexia, your wife's breast condition, your father's prostate condition to be protected. They will not allow the Condit amendment to be debated on the floor.

Mr. Speaker, there is a Dickensian quality to this wire. Yes, we want financial industries to be able to work more efficiently, but it is the best of wires and the worse of wires simultaneously.

The Republicans are saying we need commerce but commerce without a conscience, without any protection for poor people, without any protection for

medical records, without any protection for everyone's financial secrets that no one else has any business getting into.

Mr. Speaker, they are willing to protect people's secrets from being robbed by third parties but not against embezzlement inside of a bank. They can take someone's information and sell it to anybody they want.

This is a terrible rule. This is a rule which compromises the individual integrity of every American in our country. I strongly urge a no vote on the rule so that we can have the proper amendments put in order to give the American individual the protections which they are going to need as we move to this new era of cyber-banking.

Every American has a right to knowledge about information being gathered about them, notice that it is going to be reused for purposes other than that which they originally intended, and the right to say no to banks, to hospitals, to insurance companies, to anyone else that seeks to use a family's private information as a product.

The Ganske amendment does not provide that protection. The exceptions in the Ganske amendment swallow this rule. There is no protection against medical records being compromised. Vote no on this rule. Send it back to the Committee on Rules. Allow for these amendments to be brought out here on the floor for a full debate of the modern financial era and what it means to every American in our country.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. LEACH), the gentleman who is the chairman of the Committee on Banking and Financial Services and a gentleman who has been engaged in the methodical, bipartisan effort to get this bill where it is.

□ 1230

Mr. LEACH. Mr. Speaker, I thank the gentleman for yielding time to me.

Frankly, Mr. Speaker, perspective is very difficult to bring to situations like this. Let me say that I believe both sides have some truth. I am not a great enthusiast for this rule, but I would urge serious consideration to its passage. I will vote for it.

Frankly, the main two amendments that I asked to be placed in order were the Largent amendment, which would have protected community banks somewhat stronger, and the Lee amendment. By background, let me stress, the Lee amendment comes from the Committee on Banking and Financial Services. It passed by a one-vote margin in committee. I voted for the Lee amendment. I would have supported it on the House floor.

But I would also say to my colleagues that if they look at the big picture, two aspects have to be understood.

One, the principal committee of jurisdiction over the act that it modifies is the Committee on the Judiciary, and the Committee on the Judiciary objected to its consideration in this bill before it had a chance to look at it. That is something that in my view the Committee on Rules gave disproportionate attention to, but it was a valid consideration.

Second, let me just say on redlining, it is an important issue. But the most important aspect on this bill relates to the Community Reinvestment Act, which this bill broadens in two profound ways. One, it makes CRA a condition of affiliation for banks if they want to affiliate with insurance companies and securities firms, and second, it applies the CRA to a newly created institution called wholesale financial institutions. These are strong steps towards protecting against redlining.

Finally, I would caution people on the rhetoric of privacy. There has never been a bill in the modern generation that in its underlying text has brought more privacy protection to financial services than this one. The amendment that is being worked on brings even more. It may not go quite as far as some might want, but it nonetheless is the strongest privacy protection bill ever brought before this body in any modern Congress.

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

I am sure if the gentleman's two amendments had been adopted in the Committee on Rules, we would not have had this fight on the floor. It probably would have been passed already.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise to speak against the rule. First, I cannot believe that the Committee on Rules blocked several of our important consumer protection amendments. It is shocking that the Committee on Rules blocked the anti-redlining amendment adopted by the Committee on Banking and Financial Services in markup.

Somehow this amendment was just deleted with no vote, no debate, by the stroke of a pen or a computer error. When I asked my colleagues how this could happen this morning, I was reminded of the many anti-democratic maneuvers that we face each and every day in this House. How tragic.

This anti-redlining amendment is to prevent insurance affiliates from redlining. It fits squarely into our country's history to not tolerate discrimination in its many forms, but particularly not to allow discrimination in housing.

It was adopted in open session on a rollcall bipartisan vote. Whether it was by one vote or by 20 votes, it was democratically adopted. The amendment is an important tool in fighting redlining and racial discrimination. It is inconceivable to me that members of the Committee on Rules would go on record as opposing fair housing and in support of redlining.

I urge rejection of this horrendous, outrageous rule.

Mr. Speaker, we have not allowed banks to discriminate—why should we allow insurance Companies to discriminate?

It is vital to remember, to know that the Supreme Court, in recent years, upheld the Fair Housing Act as covering the sale of homeowner's insurance. The NAACP, and the Justice Department sued the American Family Mutual Insurance company on discrimination in selling their homeowner insurance. The Supreme Court ruled in their favor and the company settled. Thus, there is no question of federal interest in the sale of homeowners' insurance.

I have been informed that this amendment displeases the insurance industry. I hope that I am wrong. We are almost forty years from the blood, sweat and deaths of the civil rights movement. The cause for that struggle remains in 1999. This modest amendment asks the minimum: that insurance companies, just like banks, should not discriminate.

H.R. 10 is heavily biased toward the interests of the financial services industry with little concern for consumers and communities. Deletion of the Fair Housing Act protections exacerbates this imbalance—and reinforces the image of H.R. 10 as an industry legislative product.

The record of companies on fair lending, redlining, and discrimination should be a consideration in establishing eligibility for the formation of a financial holding company. Elimination of this provision rewards the lawbreakers and allows the guilty companies to have the same rights, the same privileges, the same benefits as the majority of companies which are law abiding.

I am shocked. I do not want to believe that insurance companies, in the lushness of our booming economy, would resist the idea behind the legislation. As I said earlier, the goal of the legislation is modest. It only asks insurance companies to not be in violation of the Fair Housing Act. That they be fair in selling their policies. That the sale of an insurance policy should be a business Transaction, not a transaction that gives vent to prejudices, stereotypes as to who is and who is not worthy of being a customer by virtue of their residence.

The Rules Committee has effectively blocked a formal, and democratically arrived-at decision to eliminate redlining. This blatant violation of our legislation process is outrageous and should be illegal.

I ask my colleagues to vote against the rule and to support a motion to recommit.

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, in urging adoption of this rule, I want to just touch on two issues that may be troubling some of our colleagues.

First, we are blessed in America with a greatly diversified financial services

industry. Oftentimes, however, these financial institutions, their regulators, and Members of Congress find themselves at odds on important policy, business, and competitive issues.

While some banks are a part of a very large, diversified holding company and can take advantage of sophisticated delivery systems, others are independent and must fend for themselves.

Regulations are written chiefly to keep the large, complex organizations operating within the law, but then they are similarly applied to the same small, independent bank. This situation is made worse for the small community bank when we consider that their primary competitors escape the consequences of heavy regulatory and tax burden.

This is wrong. Federal policies should not be implemented to create an unfair competitive advantage that benefits one industry over another, where they compete for the same customer base.

We often overlook the fact that small banks are small businesses themselves. They serve as economic engines that drive the local rural economies, benefiting millions of consumers, small businesses, family farms, and local merchants.

Having said that, however, and as a free market proponent, I must also add that I am sensitive to the community banks' concerns. Although I am sensitive to those concerns, I cannot agree with their position that we should act to isolate them from competition.

No, I say to my colleagues, that is not a satisfactory answer to their concerns. Instead, let us work together in passing this rule and H.R. 10 today, and then work to pursue regulatory and tax relief for small community banks. It is crucial that we act to preserve the open market competition, rather than attempting to burden their potential competitors, and rather than attempting to turn back the clock.

Congress should work to help unburden the community banks in this country.

Mr. Speaker, my second point concerns the unitary thrift issue. H.R. 10 is designed to help increase competition and to benefit consumers, communities, and businesses. With those goals in mind, how can we justify reining in the unitary thrift holding companies?

Mr. Speaker, for the record, I would like to clarify that the unitary thrift holding company is not a loophole. More than 30 years of experience and volumes of legislative history underlay the foundation of its structure. Congress acted specifically to bring both capital and management expertise into the thrift industry and to promote housing.

Simply put, restricting firms from transfering ownership in an attempt to thwart competition disadvantages investors. In fact, some thrifts were created at the urging of the Federal government. I am strongly opposed to a legislative taking that might lead to significant costs to the U.S. Treasury. I feel strongly that investors should not have value taken from them through some arbitrary action of Congress.

No evidence based on safety and soundness has been presented that would justify prohibiting unitary thrifts from being sold to other companies. Likewise, no evidence suggests that financial companies that buy unitary thrifts should not continue operating their commercial activities.

Mr. Speaker, today we are focused on promoting economic efficiency and growth. Congress should do something positive for our independent community banks, rather than trying to do something negative to a group of potential competitors.

I urge my colleagues to pass this rule and adopt H.R. 10, and let us send it to conference.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in strong opposition to the rule.

Frankly, banking modernization, financial modernization, is one of the important issues before the Congress. I want to commend especially the gentleman from Iowa (Chairman LEACH) and my fellow members on the Committee on Banking and Financial Services for working together. We brought together a good bill, with a lot of effort in terms of the private sector concerns, banks, securities, insurance firms, to deal with issues and the administration.

The other side of financial modernization is how it affects consumers. We protected CRA, we provided choice for corporations with regards corporate structure and regulator. Frankly, I think we put together a pretty good privacy solution that is embodied in this rule.

But beyond that, there is an important issue here of principle, one that I cannot violate. That is that communities cannot be redlined by insurance companies or anyone else. I know many stand for those same civil rights, those same rights to poor people, to minorities and others.

Frankly, the Committee on Rules last night extinguished that bright light of bipartisanship on the basis of something to me that is fundamental principle. We should correct that. We had before us a nice, bipartisan meal, three courses, and this Committee on Rules turned that meal to gruel. We should address that particular concern.

We cannot go back on the progress that we have made eliminating discrimination moving forward in terms of home ownership in this country, and the many other economic opportunities; that this financial modernization should not just extend to the profit side the financial institutions bottom line, but to the service of our constituents, to the minority populations blacks, Asians and Hispanics, to all the poor in our society who have a right to benefit from financial modernization. We have a responsibility to make certain that this law works for all.

That is what the promise of this bill is, and Members cannot stand up for three or four insurance companies that want to get in the way of extending that particular benefit to those who would be redlined. That is what this rule does.

There is probably enough blame to go around on both sides regarding the misunderstanding. There is much good in this bill. We could march forward and change this rule and provide for the opportunity to in fact challenge the redlining that occurs or may arise, and to fulfill really what is the promise of this Nation to all people, the opportunity to fully and fairly participate in the Nations economy and financial market place without discriminatory barriers such as redlining!

Mr. Speaker, as late as yesterday afternoon, I fully expected to be speaking in strong support of the Rule. That expectation was based on the fact that the House would be considering a solid, bipartisan legislative product. With Chairman LEACH's leadership, the Financial Services Modernization Act, as approved by the Banking Committee, laid a solid base which Democrats and Republicans alike could support. It had the support of the Administration and virtually most of the affected financial entities. There were congressional jurisdictional differences, to be sure, and pride of authorship disagreements but we worked together and achieved a good bill prior to the rules action. The reason for this broad support was simple—most Democrats and Republicans had put aside most partisan differences and worked on the issues. In the Banking Committee, very few votes were along party lines and the debate was on the substance—not to score political points. That is why our Committee reported H.R. 10 by a vote of 51 to 8.

My hope for this legislation was raised by the solid bipartisan agreement that was achieved for a strong privacy policy within the Rules Committee. I was proud to initially cosponsor that amendment with my Democratic and Republican colleagues. It was an amendment which would bring an effective, workable privacy protections for all consumers and an amendment which Democrats and Republicans could support.

Unfortunately, late in the night, the bright light of bipartisan cooperation was extinguished. With a good meal of bipartisanship set before us, the Majority Party leadership got a case of indigestion and served the House a rule of thin gruel. Instead of using Rolaids, the Leadership resorted to the old home remedy—muscle through a rule without any Democratic support.

It is an unfortunate decision. What could prompt the Speaker and the Republican leadership to walk away from the brink of bipartisanship? Was it some new Democratic plot to

gain control? Or a liberal demand for more bureaucracy? No, it was a simple request for fairness. It was a request that in order for insurance companies to affiliate under this law of financial modernization, they had to comply with the Fair Housing Act. Simple stated insurance companies that discriminate cannot reap the rewards of this Act. Is that such an onerous demand? Should this legislation protect and reward those who practice racial redlining? That is what the House would be left with in this Rule. It's a matter of fundamental fairness.

The Republican majority and leadership run this House and while mistakes have occurred on both sides of the aisle, this issue of redlining can still be fixed. Unfortunately stubborn partisanship and special interests have won out. As a result, I cannot support this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, unfortunately, on the way to passing what would have been a very good bill, would have worked out the privacy issue in my regard, and I have worked with both sides to try and do this and was trying to get the rule passed, but the leadership, the Republican leadership, through apparently arrogant ineptitude, has messed this thing up.

We told them not to take the Lee amendment out, that that would raise the bar and make it impossible to get the rule done, but they did it anyway. They say they do not want to stop redlining, they want to stop commerce and banking, but then they made the Burr-Myrick amendment in order. Do Members know who that helps? It helps one insurance company in North Carolina. This is like a State legislative bill. This is like a special interest tax bill.

We worked in a bipartisan way to get this bill done. I take a more free market approach on these issues than probably most of the Republicans do. We had a good bill going. They messed it up. Are they going to do that to every piece of legislation that comes to the floor? This is just ridiculous. This is an important issue that we should get done and they failed, and they failed miserably.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, this bill was supposed to be about financial services, but it actually contains the most severe invasion of Americans' right to medical privacy ever considered by the Congress.

As the L.A. Times wrote in an editorial today, ''not a shred of protections are left. Health insurers can peddle patients' privacy with little or no restraint.'' Under this bill, health insurers can sell genetic records to credit bureaus, life insurance companies, without the consent or even the knowledge of the patient.

I have a high regard for the gentleman from Iowa (Mr. GANSKE). I do not think he realizes what he has opened the door to in terms of the invasion of medical privacy. That is a different issue than privacy of financial records. But this medical privacy provision allows information to be made available and to be sold without us ever knowing about it, about our most intimate medical problems.

I would rather have nothing on medical privacy than a provision which takes us a big step backwards.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Speaker, here is another reason to oppose this rule. In the Committee on Commerce, the gentleman from Ohio (Mr. OXLEY), chairman of the subcommittee on Finance and Hazardous Materials and I offered an amendment to prohibit entities that sell insurance from discriminating against victims of domestic violence by selling, underwriting, or paying insurance policies by using domestic violence as an underwriting criteria.

This was an amendment unanimously supported in the committee, passed the House last year. It is very important. We should have voted on it by itself. Unfortunately, the amendment was not made in order by itself and was included as part of a very controversial amendment offered by the gentleman from Virginia (Mr. BLILEY).

What we are talking about here is trying to help businesses and trying to help consumers. Instead, we are just getting too cute by half. I think what we need to do is send this rule back to the Committee on Rules so they can get all of these amendments straight, and they can benefit consumers as well as businesses.

□ 1245

Then we can all vote for the bill. We can send it on to conference, and we can adopt it.

Mr. SESSIONS. Mr. Speaker, I yield 15 seconds to the gentleman from Iowa (Mr. GANSKE) for the purposes of rebuttal.

Mr. GANSKE. Mr. Speaker, I point out that the language on medical privacy says the insurance company shall maintain a practice of protecting the confidentiality of individually identifiable consumer health and medical and genetic information and may disclose such information only with the consent or at the direction of the customer.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MENENDEZ), the chief deputy whip.

Mr. MENENDEZ. Mr. Speaker, I rise in opposition to the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, this rule is defective. This rule does not protect Americans' privacy. It protects piracy. It protects the continued piracy of banks who are selling our credit card numbers, selling our checking account information, selling even the account numbers in our savings accounts to telemarketers who call us at night and try to sell us products we do not want and we did not ask for.

Americans deserve the right to say no, to tell banks do not sell my credit card number. Do not sell my account information. Do not sell my checking account information.

If we kill this rule, we are going to give Americans that right. This rule is a cruel hoax. It has a loophole big enough to drive an armored car through. Because while it says they cannot give our information to third party telemarketers, it allows banks to simply buy the telemarketers and continue to commit the same crime, the same sin. All they have got to do is change the name on the door, and they will continue to violate our privacy rights.

Listen to the American people. Do not have industry dictate this rule. This is the people's House. Kill this rule.

Mr. SESSIONS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I must say that I do not believe quite this partisanship here. After all, this was the product of years of careful negotiation. If it had been easy, we would have passed this years ago.

But having said that, I want to get back to this question of privacy because obviously this does not deal with all the issues of privacy. But what is in this bill that has been stated is excellent.

Now, weeks ago, I, as the chairman of the Subcommittee on Financial Institutions and Consumer Credit, announced that, given the complexities of the privacy questions, we were going to have hearings. Those hearings are being held in July.

This is not the vehicle to write comprehensive privacy reform. I know that not only I, but certainly the gentleman from Iowa (Mr. GANSKE) and the gentleman from Virginia (Mr. BLILEY) and the Committee on Commerce will be working with us to get a more comprehensive look at the privacy issues.

This is not the vehicle for comprehensive privacy reform. This is being used as an excuse to let us not do our job and hand over to the regulators and the courts the continued rewriting of financial institutions. That is abrogation of our constitutional responsibility.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to this rule. We had a chance to protect the privacy of American consumers. The Republican leadership blocked it. Instead, we have a

bill that enables the insurance and the banking industry to disclose an individual's personal health and financial information without their consent.

What will failure to include these basic privacy provisions in the bill mean for Americans? One could be denied medical coverage based on incorrect information in one's medical record, records that consumers would have no opportunity to correct. Medical research would be stifled because no one would trust that their participation in a medical study would be private.

As a cancer survivor, I can tell my colleagues that the thought of my personal records being zipped around the Internet is frightening. This is the Big Brother bill. Big Brother is watching, watching one's medical records, watching one's financial records. He knows when one has been sick. He knows how much one has in one's bank account.

Enough is enough Congress. This bill violates the constitutional rights of American citizens. We can do better.

Mr. SESSIONS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in strong support of this rule. I am known to be very concerned about the privacy of all Americans and am tenacious in protecting the privacy of everyone.

I believe I am a well-known civil libertarian. But I do believe this bill adequately protects privacy, except in one area. It has not eliminated the potential Know Your Customer regulations. My amendment permits this. It is the regulations such as Know Your Customer that is the motivation for banks to collect so much information.

So I rise in support of the rule, but also mention that the Paul-Campbell–Barr amendment will allow us to bring to the floor an amendment that will eliminate once and for all the availability of Know Your Customer regulations by the various regulators.

I am in strong support of this rule, believing very sincerely this bill does protect privacy. But we can make it better by passing my amendment.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I stand to ask the Congress to vote against this rule. I want to tell my colleagues why. Whenever there are this many kinds of constraints and hesitancies on the part of the body concerning a bill so important as this one, the main thing to do is just to kill it. Get rid of it. Vote against it because there are too many ifs in this particular rule. The if in terms of the gentlewoman from California (Ms. LEE) who tried to make it better by putting in something against redlining. All of the attempts at trying to help in terms of privacy were ignored by the Committee on Rules.

Well, that means only one bottom line. Vote against the rule so that they will have to go back and change this and consider some of the many things which my colleagues have heard here.

Holding companies who seek to be qualifying financial holding companies under H.R. 10 would be prohibited from violating the Fair Housing Act if one were to take the amendment of the gentlewoman from California (Ms. LEE). But, no, they did not. They did not see the right to take it. So now they take away the ability to pass a bill. Vote against this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank the very distinguished ranking member of the Committee on Rules for yielding me this time.

Mr. Speaker, I rise this afternoon in opposition to the rule. So many of my colleagues on this side of the aisle have expressed very eloquently their problems with the rule and why they oppose it.

My main reason and what brings me to the floor today in opposition is for the reason of privacy, privacy, privacy, privacy. If there is anything that runs through the veins of the American people, it does not matter what party they belong to, it does not matter where they live, it does not matter how much money they have, it does not matter what color they are, they want their privacy protected.

There is something wrong when the Congress considers a bill where the bankers know more than our doctors or have the same information. We need to stand with our constituents in this battle, and we need to stand next to what every red-blooded American understands, that what they have in their checking account, what they have in their money market account is no one else's business. It should not be sold. It should not be marketed. It should be kept private.

I urge a ''no'' vote on the rule and the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CONDIT).

Mr. CONDIT. Mr. Speaker, I rise in opposition to the rule today. We ought to do financial services reform. We ought to be doing that. But we ought not to be doing it at the expense of the consumer, at the expense of the patient and the citizen when it comes to protecting their privacy. That is what we are doing today.

We have made a choice to do this bill, to pass this bill in the House today at the expense of protecting the privacy of patients and consumers, and that is wrong. That is flat dead wrong. We ought to oppose this rule today.

I want to speak just for a moment to the reason why I think we ought to oppose it beyond not protecting our citizens' privacy. But we ought to oppose it on the medical privacy part of this bill. We offered two amendments to the Committee on Rules yesterday, both were rejected, that simply said let us set aside the medical privacy part of this bill.

It has been suggested by the gentlewoman from New Jersey (Mrs. Roukema) that this is not the place or the time. She is right. We ought to debate it in a more comprehensive bill coming in July.

I would ask my colleagues please vote against this rule. Protect the privacy of the American people. Let us have a privacy debate at the appropriate time.

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

Mr. Speaker, we are now at the very end of this debate on the rule. We have heard and had a vigorous debate today about. We have had a vigorous debate about the various aspects of this rule and of the bill that is before us.

I am pleased to say that, until last night, we had been working for weeks to craft a compromise, not only on privacy, but other issues. I can tell my colleagues that the compromise that was crafted up until last night is the one that is in the rule. It was bipartisan until then, and I am very proud of it.

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

Mr. DREIER. Mr. Speaker, I would like to thank the gentleman from Texas (Mr. SESSIONS) for yielding to me, and I congratulate him on the superb management of this rule.

The framers of our Constitution wanted the process of lawmaking to be difficult, and they wanted this place to actually be inefficient because they did not want one person to get too much power.

When I think about where I was 13 years ago, I was a Member of the House Committee on Banking, and I joined with the gentleman from New York (Mr. LAFALCE) and several of our former colleagues who are no longer here, Doug Bernard, Steve Barlett, Jack Hiler and others. At that time, we began crafting legislation that allowed for the establishment of financial services holding companies with what is known as a three-way street for affiliation among securities, banks, and insurance. It obviously was the wave of the future, and it is something that we are finally dealing with today.

Those efforts are finally coming to fruition after nearly a decade and a half. It is happening because of the work of the gentleman from Virginia (Mr. BLILEY) sitting back there in the back of the Chamber, the gentleman from Iowa (Mr. LEACH), the chairman

of the Committee on Banking, and the gentleman from Ohio (Mr. BOEHNER), who is back in the cloakroom who last year brought us very close to a victory.

I think that we unfortunately have gotten to the point where we are allowing what has been said earlier, very, very petty partisanship, to undermine what is a very, very important issue that needs to be resolved.

Before we get to the issue of H.R. 10, as we all know, we have to pass this rule. This is a good rule which should have Democrats and Republicans supporting it. It makes in order as the underlying bill an amendment in the nature of a substitute which represents the extraordinary work of those people I have mentioned. I think that it helps us deal with these very, very competing interests that have been out there.

This amendment, the bill that we are going to be considering once we pass this bill is, as the gentleman from Iowa (Chairman LEACH) said when he stood up, the strongest pro consumer effort we could possibly have, the strongest privacy language that we could possibly have.

□ 1300

Now, there has been a lot of criticism leveled at my friend, the gentleman from Iowa (Mr. GANSKE). He and I were mentioned in my hometown newspaper today. The fact of the matter is, I encourage those critics on the medical privacy issue to read the bill, and I am just going to share a couple of lines.

It says: An insurance company shall maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information, and may disclose such information only, only, with the consent or at the direction of the customer or as otherwise required, as specifically permitted, by Federal or State law; and compliance with Federal, State and local law, compliance with a properly authorized civil, criminal or regulatory investigation by Federal, State or local authorities is governed by the requirements of this section; or in broad protection risk control.

The fact of the matter is there are tremendous consumer protections in here to maintain the privacy.

Mr. Speaker, I am trying to complete my closing statement. I encourage my colleague to actually read the bill.

Now, let me make a couple of comments here about the rule.

If I can close my statement, because I am talking about this issue. We are trying to pass this rule. I have read the bill, and I encourage my friend to read exactly what I have read.

Let me say that as we look at efforts by my friend, the gentleman from Massachusetts, and by my colleague, the gentlewoman from California (Ms. LEE), these issues were put forward with one thing in mind, to try to delay this process even more than it already has been delayed. The goal is, in fact, to put this off for weeks. They would very much like to do that.

So I think that we have, in fact, put together a very, very important measure that finally moves us beyond 1933 and depression-era legislation. I do not think it moves us far enough, but this is a small and first step.

We know there is bipartisan support for most of the provisions in this bill. We know that there is bipartisan support for these packages. I hope very much that my colleagues on the other side of the aisle will join in supporting what is a very, very important measure.

Mr. SANDLIN. Mr. Speaker, I rise today in opposition to this rule.

I support financial services modernization, Mr. Speaker, and voted for H.R. 10 during committee consideration of the bill in the House Banking Committee. In order to deliver financial services to consumers effectively in today's economy, and in order to compete with financial conglomerates from overseas, American financial institutions need a modernized legal and regulatory environment. American consumers deserve the opportunity to take advantage of technological advances that have made one-stop shopping for financial services possible.

However, the Republican leadership and the Rules Committee have denied this House the opportunity to vote on several significant amendments on both sides of the aisle. Amendments preventing "redlining" and discrimination by insurance companies, promoting community banks in rural areas and protecting consumers' medical privacy information, just to mention a few. If we want a good bill, one that we can be proud of, we must vote against this rule.

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

Mr. SESSIONS. 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 SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. 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 227, nays 203, not voting 5, as follows:

[Roll No. 264]

YEAS—227

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—203

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt

Gonzalez
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—5

Brown (CA)
Fossella
Graham
Green (TX)
Serrano

□ 1323

Mr. SKEEN changed his vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

Mr. GOODLATTE. Mr. Speaker, pursuant to House Resolution 235, I call up the conference report on the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 234, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 29, 1999 at page H5066.)

Mr. LAHOOD. The gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the legislation under consideration.

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

There was no objection.

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

Mr. Speaker, today is day 182 of 1999, half way through the year.

□ 1330

Over the past 6 months, Congress has climbed the mountain of Y2K liability reform legislation, and as we stand at the legislative summit, ready to pass legislation that Republicans, Democrats and the White House can support, we can only hope that our work will help those who are climbing an ever-larger mountain, those who are trying to fix their Y2K bugs before they hit.

Our job is now done. For the next 6 months, we can only hope that this legislation, which will greatly reduce the threat of frivolous Y2K lawsuits, will allow our Nation's businesses to pour their energies into avoiding Y2K failures instead of planning their Y2K legal defenses.

Frankly, I did not think that this moment would actually arrive. Just last week, we stood here facing the wide gulf of a weaker Senate-passed bill. We faced an even wider gulf with the White House which, up until last week, was nowhere to be seen in the negotiations and was backing badly defeated Senate proposals that provided nothing but smoke and mirrors for addressing the Y2K problem. Fortunately, all parties eventually realized that compromise is an essential part of successful legislating. Both the House and the White House moved significantly from their original positions to reach an agreement closely resembling the Senate-passed legislation.

The final conference report is a model of compromise. Not only did the White House get many of the concessions it sought, but the core pieces of the House-passed legislation remain firmly in place. Caps on punitive damages, reform of class action lawsuits, proportionate liability, a 90-day waiting period, and contract preservation all remain in this legislation.

Mr. Speaker, I want to congratulate all those who have worked hard over the past week and over the past 6 months to make this bill happen. I want to commend my colleagues who worked on this, including the sponsor of the bill, the gentleman from Virginia (Mr. DAVIS), the gentleman from California (Mr. DREIER), the gentleman from California (Mr. COX), the gentleman from Wisconsin (Mr. SENSENBRENNER) and the Democratic sponsors, the gentleman from Virginia (Mr. MORAN), the gentleman from California (Mr. DOOLEY) and the gentleman from Alabama (Mr. CRAMER). I also want to thank Senators MCCAIN, HATCH and the other Senate conferees for working so hard to get a good piece of legislation that the White House would sign.

Finally, I want to commend the House and Senate personal and committee staffs on both sides of the aisle who worked so hard to make this legislation happen. They are to be commended for a job well done.

Mr. Speaker, this conference report is a victory for small businesses and a victory for consumers. One hundred eighty-two days down and 183 to go, now Americans can begin the homestretch in their efforts to keep the Y2K problem from becoming a reality.

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

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

I want to stand here today to congratulate the gentleman from Virginia (Mr. GOODLATTE) on the committee; the gentleman from Virginia (Mr. DAVIS), who has put this bill before us and brought it to our attention; and all of those in this House and in the other body who have helped make this a day that a conference report can be brought to the floor for support. It represents a marked improvement over the House-passed version of the bill of which I was not able to support in the House form. The bill was improved first in the Senate at the insistence of many Democrats and again in conference at the insistence of the administration.

As has been suggested, a lot of work went into this, including members of the staff, and I think we now have a bill, though far from perfect and despite some last-minute drafting glitches, I believe it will achieve the purpose of allowing high-tech companies to focus on the fixing of the Y2K problem without trampling on consumer rights.

I am glad the administration met with the conferees over the past weekend to achieve this compromise. Had we taken up the Senate-passed bill as some in this body were proposing, we would be facing a drastically worse bill which would surely have faced a presidential veto. More importantly, I can support this legislation because it represents a one-time Federal response to a unique nationwide problem relating to possible year 2000 computer failures and does not serve in any way as precedent for broader-ranging changes in our tort laws. In addition, the bill will have no force or effect with respect to actions stemming from any harm occurring after January 1, 2003.

In my judgment, the final conference report is far closer in text and in spirit

to the Democratic substitute offered by the gentlewoman from California (Ms. LOFGREN), the gentleman from Virginia (Mr. BOUCHER) and myself, which received 190 votes here in the House, than it is to the more extreme bill that was originally passed by the House.

The conference report improves upon the House-passed bill in a number of respects. First, it deletes the so-called reasonable defense effort. Under this defense, of course, a defendant who was grossly negligent could completely avoid liability as long as he took minimal steps to fix the problem, even if these efforts did not result in a cure and caused substantial damages.

It also deletes the ''loser pays'' defense requiring a litigant to pay the other side's attorneys fees if they rejected a pretrial settlement and ultimately obtained a less favorable verdict. The provision would operate as a tremendous disincentive to small businesses and poor and middle-class victims of Y2K failures because they have far less financial resources and cannot afford the risk of paying a large corporation's legal fees based on the outcome of a trial.

The conference report also significantly narrows the doctrine of joint and several liability limitation. The House bill, my colleagues will recall, would have wiped out the doctrine of joint and several liability. Fortunately, the conference report excludes individual consumers from this limitation and incorporates several changes designed to protect innocent plaintiffs and help ensure that ''bad actors'' are not rewarded.

Finally, the conference report significantly narrows the bill's punitive damages limitations. The Committee on the Judiciary reported a bill that would have prevented any plaintiff from ever receiving punitive damages in a Y2K action. The conference report is far fairer and caps punitive damages at the lesser of three times the compensatory damages or $250,000 and only applies caps to small business defendants.

So although the legislation is not perfect, on balance I believe it will help protect the Nation's high-tech community against frivolous lawsuits and encourage businesses to remedy their Y2K problems without unduly infringing on the rights of small business and individual plaintiffs.

Mr. Speaker, I include for the RECORD a letter from John Podesta to myself dated June 30, 1999, as well as a section-by-section description of the Y2K conference report, as follows:

THE WHITE HOUSE,
Washington, June 30, 1999.

Re H.R. 775—the Year 2000 Readiness and Responsibility Act.

Hon. JOHN CONYERS, JR.,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE CONYERS: The nation faces the possibility that widespread frivolous litigation will distract high technology companies and firms throughout the economy from the important work of preventing—and if necessary—repairing damage caused by the inability of systems to process dates in the new millennium. Special, time-limited legislation to deter unwarranted Y2K lawsuits is important to our economy.

Over the last few months, the Administration sought to ensure that, while we deterred frivolous claims, we also preserved important protections for litigants who suffer bona fide harm. We believed that the Senate-passed bill failed this test. The Conference Committee agreed to make a list of changes that were important to provide necessary protections.

The agreed-upon changes were translated into legislative language extremely narrowly, threatening the effectiveness of the negotiated protections. Nonetheless, we have concluded that, with these changes, the legislation is significantly improved. Specifically, as modified, the Conference Report: ensures that individual consumers can be made whole for harm suffered, even if a partially responsible party is judgment-proof; excludes actions brought by investors from most provisions of the bill and preserves the ability of the SEC to bring actions to protect investors and the integrity of the national securities markets; ensures that public health, safety and the environment are fully protected, even if some firms are temporarily unable to fully comply with all regulatory requirements due to Y2K failures; encourages companies to act responsibly and remediate because those defendants who act recklessly are liable for a greater share of a plaintiff's uncollectible damages; and ensures that unconscionable contracts cannot be enforced against unwary consumers or small businesses.

As a result, I will recommend to the President that he sign the bill when it comes to his desk.

In the normal course of business, the Administration would oppose many of the extraordinary steps taken in this legislation to alter liability and procedural rules. The Y2K problem is unique and unprecedented. The Administration's support for this legislation in no way reflects support for its provisions in any other context.

Sincerely,

JOHN PODESTA.

SECTION BY SECTION DESCRIPTION OF Y2K CONFERENCE REPORT

Section 1. Short Title; Table of Sections.—Sets forth the title and table of contents.

Section 2. Findings and Purposes.—Sets forth a variety of findings designed to establish a constitutional nexus for the legislation.

Section 3. Definitions.—Among other definitions, this section defines a ''Y2K action'' as any civil action in which the alleged harm arises from or is related to an actual or potential Y2K failure.

This reflects a change suggested by the White House which deletes language which would have permitted the bill to apply to lawsuits which only indirectly involved Y2K actions.

Section 4. Application of Act.—This includes nine separate subsections. The most important provisions are as follows:

(a) General Rule.—Act only applies to Y2K failures which occur before January 1, 2003.

This means that the bill represents a one time change in tort and contract related actions limited to harm caused during a narrow three year window. This represents a critical improvement over the House passed bill which had no termination date.

(c) Claims for Personal Injury or Wrongful Death Excluded.—Specifies that the bill does not apply to claims for personal injury or wrongful death.

This reflects an improvement over the House passed bill which only excluded personal injury claims. The existence of this important carve out in the bill illustrates that the Y2K problem presents a unique one time issue, and the legislative response should not apply to ordinary consumers suffering personal injuries. In this respect, it cannot be seen as a precedent for broader tort reforms.

(d) Warranty and Contract Preservation.—Specifies that contract terms shall be strictly enforced, unless such enforcement is inconsistent with state statutory law, or the state common law doctrine of unconscionability, including adhesion, in effect on January 1, 1999.

This is a variation of a provision originally included in the House Democratic substitute (offered by Reps. Lofgren, Boucher, and Conyers). Preserving state laws concerning unconscionability and adhesion reflects an important change suggested by the White House.

(g) Application to Actions Brought by a Government Entity.—This provision provides limited relief from penalties for Y2K related reporting or monitoring violations. Because the provision is limited to a defense to penalties, the government would be allowed to seek injunctive relief to require compliance and to correct violations. In addition, the defendant would have to show, among other things, that the noncompliance was both unavoidable in the face of an emergency directly related to a Y2K failure and necessary to prevent the disruption of critical functions or services that could result in harm to life or property. Other safeguards further limit the applicability of the defense. For example, the defendant would not obtain the benefit of the defense if the reporting or monitoring violations constitute or would create an imminent threat to public health, safety, or the environment. The defendant would also be required to demonstrate that it previously made a reasonable good faith effort to anticipate, prevent and effectively correct a potential Y2K failure; that it has notified the agency within 72 hours of the violation; and that it has fixed it within 15 days. The defense does not apply to any reporting or monitoring violations occurring after June 30, 2000.

Many of the safeguards against misuse of this defense were added at the insistence of the White House. Absent these changes, the Senate bill could have provided corporate polluters and others responsible for health and safety requirements with complete defenses to these reporting or monitoring violations.

(h) Consumer Protection From Y2K failures.—Ensures that homeowners cannot be foreclosed on due to a Y2K failure.

This provision did not appear in the House passed bill or the House Democratic substitute. The Senate passed language was modified in conference to limit the provision's applicability to residential mortgages, to require consumers to provide notice of the Y2K failure and their inability to pay, and to limit the applicability to transactions occurring between December 16, 1999 and March 15, 2000.

(i) Applicability to Securities Litigation.—Specifies that, other than the bystander liability provisions (section 13(b)), the bill does not apply to securities actions.

Many of the bill's restrictions only make sense in the context of ordinary tort or contract suits, not securities actions which Congress has reformed twice in recent years. This improvement was suggested by the White House.

Section 4 also includes technical subsections specifying that the bill does not create a new cause of action; only preempts state law to the extent it establishes a rule that is inconsistent with state law; and does not supersede legislation concerning Y2K disclosure passed on a bipartisan basis last year.

Section 5. Punitive Damage Limitations.—Provides that defendants shall not be subject to punitive damages unless such damages are proved by ''clear and convincing evidence.'' Also caps punitive damages against ''small businesses'' at the lesser of 3 times compensatory damages or $250,000. ''Small business'' is defined as individuals having a net worth of less than $500,000 and businesses with fewer than 50 employees. The cap does not apply where the defendant acted with specific intent to injure.

This reflects a significant improvement over the House passed bill which would have capped punitive damages against all defendants, regardless of their size; and the House Judiciary Committee approved bill which would have completely eliminated the plaintiff's ability to recover any punitive damages.

Section 6. Proportionate Liability.—Sets forth a general rule that defendants are liable only for their proportionate share of liability (in lieu of the common law rule of joint and several liability applicable in some states). This general rule does not apply in cases where the defendant acted with specific intent to injure the plaintiff or knowingly committed fraud. In addition, if portions of the plaintiff's damage claim ultimately prove to be uncollectible, and the plaintiff is an individual with a net worth of less than $200,000 (a so called ''widow or orphan'') and damages are greater than 10% of a plaintiff's net worth, a solvent defendant is responsible for paying an additional 100% share of their liability, or an additional 150% of this amount if they acted with ''reckless disregard for the likelihood that its acts would cause injury.'' Also, the general proportionate liability rule does not apply to suits by consumers who sue individually rather than as part of a larger class (brought on behalf of ten or more individuals). Although the section is one-way preemptive of state law, it is not intended to allow a defendant to assert that it is subject to some but not other subsections.

This provision is somewhat similar in operation to a section included in the House Democratic substitute which gave the court discretion to avoid joint and several liability depending on the defendant's overall conduct and share of liability. The exceptions to the general rule of proportionate liability reflect changes suggested by the White House to make sure that ordinary consumers were protected and so-called ''bad actors'' were not rewarded. This represents an effort to encourage remediation which, of course, is unique to the Y2K problem. The final provisions represent an improvement over the House passed bill which would have eliminated joint and several liability in virtually all cases.

Section 7. Prelitigation Notice.—Y2K actions would not be permitted to proceed to trial until the defendant has had an opportunity to fix the Y2K failure within 90 days after receiving notice in writing with the problem described with particularity. The 90 day period includes an initial 30 day notice period, and a subsequent 60 day period in which to remedy the defect.

This provision is substantially identical to the House Democratic substitute.

Section 8. Pleading Requirements.—Requires greater specificity in the notice of damages sought in Y2K actions; the factual basis for the damages claim; a statement of specific information regarding the manifestations of the material defect and the facts supporting such material defect; and a statement of facts showing a strong inference that defendant acted with a required state of mind.

This provision is substantially identical to the House Democratic substitute.

Section 9. Duty to Mitigate.—Provides that damages awarded in Y2K actions exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was or reasonably should have been aware. This limitation on damages does not apply where the defendant has engaged in fraud.

This provision is similar to a provision included in the House Democratic substitute. It includes a suggestion made by the White House that the protection not apply to so-called fraudulent ''bad actors.'' Again, this is an effort to encourage remediation by all parties, which is a unique issue to Y2K liability.

Section 10. Application of Existing Impossibility or Commercial Impracticability Doctrines.—Freeze state law on these doctrines as of January 1, 1999.

This provision represents an effort to insure that states do not alter their laws to take advantage of the Y2K problem to make it easier to bring suits against ''deep pocket'' Y2K defendants. This provision is substantially identical to a provision included in the House Democratic substitute.

Section 11. Damages Limitations by Contract.—Provides that, in Y2K contract actions, damages are limited to those provided in the contract, or, if the contract is silent, to those provided under state law.

This provision was not included in the House passed bill or the House Democratic substitute.

Section 12. Damages in Tort Claims.—Codifies the so-called ''economic damages'' rule, which prohibits tort plaintiffs from seeking economic or consequential damages (e.g., lost profits stemming from a Y2K failure) unless such damages are permitted by contract. This rule does not apply in cases of intentional torts arising independent of a contract.

This reflects a variation of a suggestion by the White House to protect persons who have claims for separately cognizable torts, such as some forms of fraud. This is similar to a provision included in the House Democratic substitute.

Section 13. State of Mind; Bystander Liability; Control.—Subsection (a) freezes state law concerning the standard of evidence needed to establish defendant's state of mind in a tort action (e.g., negligence) as of January 1, 1999. Subsection (b) provides that Y2K service providers are not liable to third parties who are not in privity with them unless the defendant actually knew, or recklessly disregarded a known and substantial risk, that a Y2K failure would occur. This would make it more difficult for a customer of business that was certified to be Y2K compliant to sue the consultant who so certified. Subsection (c) provides that the fact that a Y2K failure occurred in an environment within the control of the defendant shall not be permitted to constitute a sole basis for the recovery of damages.

Other than bystander liability, these provisions were not included in the House passed bill or the House Democratic substitute.

Section 14. Appointment of Special Masters or Magistrate Judges for Y2K Actions.—Includes a technical change which would merely authorize federal courts to appoint special masters to consider Y2K matters.

This provision was not included in either the House passed bill or the House Democratic substitute.

Section 15. Y2K Actions as Class Actions.—Subsection (a) only permits class actions involving material product defects. Subsection (b) requires class members to receive direct notices of class actions (which shall include information on the attorney's fee arrangements).

Subsection (a) is substantially identical to a provision included in the House Democratic Substitute.

Subsection (c) places all Y2K class actions in federal, rather than state court. The only exceptions are where (1) a substantial majority of members of the plaintiff class are citizens of a single state, the primary defendants are citizens of that state, and the claims asserted will be governed primarily by the laws of that state; (2) the primary defendants are states or state officials; (3) the plaintiff class does not seek an award of punitive damages and the amount in controversy is less than $10 million; or (4) there are less than 100 members of the class. The burden is on the plaintiff to establish that any of these four exceptions apply.

The idea behind this provision is that Y2K actions are inherently interstate and the problem is uniquely nationwide and federal in its source and impact. This provision incorporates some White House suggestions that safeguards be built into the rule to allow some class actions which have a state focus be permitted to be brought in state court.

Section 16. Applicability of State Law.—Specifies that the bill does not supercede any state law with stricter damage and liability limitations.

This provision was not included in either the House passed bill or the House Democratic substitute.

Section 17. Admissible Evidence Ultimate Issue in State Courts.—Applies Rule 704 of the Federal Rules of Civil Procedure (concerning the use of expert testimony) to State courts.

This provision was not included in either the House passed bill or the House Democratic substitute.

Section 18. Suspension of Penalties for Certain Y2K Failures by Small Business Concerns.—This section provides for civil penalty waivers for first-time violations by a small business (50 employees or fewer) of federally enforceable rules or requirements that are caused by a Y2K failure. In order to obtain a waiver, small business must meet certain strengthened standards, including, among other things, that it made a reasonable good faith effort to anticipate, prevent and effectively remediate a potential Y2K failure; that the first-time violation occurred as a result of a Y2K failure significantly affecting its ability to comply and was unavoidable in the face of a Y2K failure; that the small business initiated reasonable and prompt measures to correct the violation, notified the agency within 5 business days, and corrected the violation within a month of notification.

As was the case with section 4(g), the Administration insisted on developing common sense safeguards so that the provision would not create new health, and environmental problems. For example, the Administration obtained changes that clarified that it is the government that determines whether a small business meets the standards for a civil penalty waiver; that an agency may impose a civil penalty if the noncompliance resulted in actual harm (in addition to creating an imminent threat to public health, safety, or the environment); and that the civil penalty waiver does not apply to any violations occurring after December 31, 2000.

The following anti-consumer provisions were dropped entirely by the Conference from the Republican bill approved by the House.

A. REASONABLE EFFORTS DEFENSE FOR DEFENDANTS (SECTION 303 OF HOUSE PASSED BILL)

Under the so-called ''reasonable efforts'' defense in the original House passed bill, the fact that a defendant took reasonable measures to prevent the Y2K-related failure was a complete defense to liability. Thus, despite the defendant's level of fault, if it made reasonable efforts to fix the problem—even if those efforts did not result in a cure—it would have had no responsibility for damages suffered by the plaintiff. Even if a defendant takes only minimal steps to remedy a Y2K problem, it would have served as a complete defense against a tort action, thereby undercutting incentives to prepare for and prevent Y2K errors. The defense was so broad it would even cover intentional wrongdoing or fraud, so long as the misconduct was eventually papered over by some sort of post-hoc reasonable effort.

B. LIMITS THE LIABILITY OF CORPORATE OFFICERS AND DIRECTORS (SECTION 305 OF HOUSE PASSED BILL)

The original House passed bill also capped the personal liability of corporate directors and officers at the greater of $100,000 or their past 12-months' compensation. This provision was unnecessary because under current law the ''business judgment rule'' already insulates officers and directors from liability for their business decisions as long as they acted reasonably in governing the affairs of the corporation. The provision also would have protected irresponsible and reckless Y2K behavior.

C. LOSER PAYS AND FEE DISCLOSURE (TITLE V OF HOUSE PASSED BILL)

The House passed bill also included a ''loser pays'' (or ''English Rule'') provision requiring a litigant to be liable to pay the other side's attorneys fees if they rejected a pre-trial settlement offer and ultimately secured a less favorable verdict. Because small businesses and individuals have far less financial resources than large defendant corporations and cannot afford the risk of paying a large corporation's legal fees based on the outcome of a trial, the provision would have operated as a tremendous disincentive to small businesses and poor and middle class victims of Y2K failures. The provision was so onerous that it would even apply to a harmed party that prevails in a Y2K action so long as they obtained less than a pre-trial settlement—in this respect it could actually operate as a ''winner pays'' provision. The bill also included a number of procedural restrictions that would have governed the attorney-client relationship—such as the requirement that attorneys disclose to their clients the fee arrangement up-front, and the requirement that attorneys provide a monthly statement to clients regarding the hours and fees spent on the case. The original House Republican bill also would have regulated attorneys fees for plaintiffs (but not defendants) in Y2K actions.

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

Mr. GOODLATTE. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, as the clocks move forward on December 31, there is a strong likelihood that some computers will fail to recognize the year 2000, instead rolling back to January 1, 1900. A Y2K-initiated computer crash could have disastrous impacts on many aspects of daily life, ranging from transportation and aviation, data processing, health care and financial services. Indeed, American society could be confronted by an extended period of technological and economic duress.

Instead of taking a proactive approach to solving the Y2K problem, many businesses, large and small, find themselves expending time and energy on liability issues. This bipartisan legislation, of which I am an original cosponsor, addresses this concern and creates incentives for businesses to address the impending Y2K problem by creating a legal framework by which Y2K-related results will be resolved.

We must not permit a climate to foster in which businesses, paralyzed by fear of unrestrained lawsuits, fail to take action that would adequately address this problem.

Mr. GOODLATTE. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER), a member of the conference committee and a senior member of the Committee on the Judiciary.

Mr. SENSENBRENNER. Mr. Speaker, I rise today in support of the conference report to H.R. 775, the Y2K Act. This bill, while markedly different from when it was first introduced, has retained several key core principles: The establishment of uniform legal standards for all businesses and users of computer-related technologies; the encouragement of alternative dispute resolution to avoid costly and time-consuming lawsuits; the lessening of the burden on interstate commerce by discouraging frivolous lawsuits while preserving the ability of individuals and businesses who have suffered injury to obtain relief.

The year 2000 computer problem, commonly referred to as the Y2K bug, presents grave challenges to both the private and public sectors throughout the United States. H.R. 775 has had a difficult history in Congress. Substantial changes were made during every step of the process, in committees, on the House floor, in the other body, and finally in conference committee in an effort to deal with this pressing issue in a way that is fair and equitable to all parties involved, both potential plaintiffs and defendants in Y2K-related disputes.

The reason we are here today is because of the persistence of the House and the other body to enact legislation far enough in advance of the year 2000 to stem the potential litigation explosion over the Y2K bug, one that has been estimated as costing our economy a potential $1 trillion. Throughout this whole process, the administration has remained cool to the idea of passing any legislation dealing with Y2K liability. In addition, the administration was noticeably absent at every junction of this debate.

The White House was invited to testify before the House Committee on the Judiciary on this legislation but declined. Instead of active participation, the administration chose to issue veto threats to even the amended bipartisan Senate-passed version of the bill with only general descriptions on which provisions they found to be objectionable. In all, the administration sent five veto threats, with the fifth being issued on June 24 by the President's chief of staff just prior to the conferees meeting on that day.

At the first meeting of the House-Senate conference, the House conferees accepted the Senate amendments to H.R. 775 and added two additional amendments. It was at this conference after the train had already left the station that the White House finally got serious and requested additional time to work out a compromise. The chairman of the conference postponed further proceedings until the drop-dead date of June 28 in a good-faith effort to see this bill enacted without the potential of a White House veto. Finally, the administration gave specifics on what they found to be objectionable and suggestions on how to change these provisions in order for the President to support it.

Fortunately, the administration's differences with Congress were resolved, which allows the conference report to be brought to the floor today without the uncertainty of a veto. The conference report has the support of the broad-based Year 2000 Coalition and the Information Technology Industry Council.

The conference report includes the following key provisions which warrant its adoption by the House of Representatives:

It allows class action suits for Y2K claims to be brought into Federal courts if they involve $10 million in claims or at least 100 plaintiffs. It creates a proportionate liability formula for assessing blame so companies would be penalized for their share of any Y2K damage. This formula would make whole individual consumers even if one of the defendants went bankrupt. It caps punitive damages at $250,000, or three times the amount of compensatory damages, whichever is less, for

individuals with a net worth of up to $500,000 and for companies with fewer than 50 employees. And it applies current State standards for establishing punitive damages instead of creating a new preemptive Federal standard.

In addition, the conference report requires plaintiffs to mitigate damages, defines the term ''economic loss,'' but does not place caps on directors and officers liability.

In summary, while H.R. 775 has been whittled down by the administration's efforts to accommodate trial lawyers, enough substantial provisions remain to warrant support by the House of Representatives.

□ 1445

Ms. LOFGREN. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentlewoman from California.

Let me just as a manner and focus on the proceedings that we have had over these past couple of months.

As a Member of the House Committee on Science and the House Committee on the Judiciary, I have had the privilege of sitting through a number of hearings, I particularly want to thank the gentlewoman from Maryland (Mrs. MORELLA) for carrying on with such informative hearings on the Y2K matters, bringing forward so many different witnesses from the business community, the legal community and, of course, a consumer community.

Through those hearings I think I can articulate today that it has taken enormous amount of work to bring us to where we are at this juncture, and I would like to lend my thoughts and appreciation to the gentlewoman from California (Ms. LOFGREN), the gentleman from Michigan (Mr. CONYERS) and the gentleman from Virginia (Mr. BOUCHER) who did craft legislation in which the White House was actively engaged and did support and had all the elements of being able to solve the problems that so many of us were concerned about.

I am disappointed that we did not prevail on that legislation, but I thank them for their leadership. I thank the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. GOODLATTE) for where we are today, and I hope that this House will pass this bill because I oppose the original version of the bill, and I oppose the bill on its final passage, but it does not mean that we cannot try and improve it. I was delighted to be able to get a technical amendment passed on the floor of the House, but it would have been good to have had other improvements, and I felt the bill could have been made acceptable.

We know there will be a Y2K situation, if my colleagues will, but I do not know if we can rely upon all the testimony that was presented to establish it as a precedent for changing all of the tort laws of this Nation, nor can we isolate Y2K and suggest that it has no limitations on the legislation that we are making.

In particular, I am very delighted that the legislation we are bringing forward now has a sunset provision acknowledging the fact that this is a limited issue and should be isolated to a certain period of time. It protects the consumers by having in homeowner protection, a provision that protects homeowners from being evicted because of a Y2K failure that is imperative.

It also responds to preventive lawsuits. A provision was added to allow suits before Y2K failures. We heard the testimony of a small grocer in Michigan who said, ''If I don't have an opportunity for relief before I collapse, then you've done nothing for me.''

I also want to make it clear that I tried to remain open on the bill in recognition of the unique problem that it attempts to address. I understand the plight of many of our software developers and Y2K solution providers who do not want to take on additional clients because they fear a costly lawsuit. That is understandable. But as a member of the Committee on Science who has sat through numerous hearings on this subject, I do not feel that we need to pass open-ended legislation that could be used too, used by corporate America to protect themselves from liability that they have rightfully incurred. I think it is important to strike a balance.

One of the amendments that I introduced and I truly hoped we would have a chance to debate on the floor was a sunset amendment, and I am delighted, as I indicated earlier, that a 3-year sunset provision was placed in the bill. Although I feel that the sunset provision in the bill which is actually contained in the definition section of H.R. 775 is not as cleanly implemented as I would have liked, the provision does allay many of the concerns that I had about the original bill.

But let me not be misleading. There are some concerns, the caps on punitive damages, and it is interesting that this would be noted in the context of trial lawyers. I think it is important to note that trial lawyers do not decide punitive damages, it is courts that do so. I hope we will be able to find sufficient relief in this legislation that will allow plaintiffs to be able to secure the relief that they need and to make themselves whole.

The bill also contains modifications to the longstanding, well-accepted court doctrine of joint and several liability. The doctrine was established in order to keep plaintiffs who have been wronged by multiple parties from having to enter into lawsuit after lawsuit against different defendants in order to make them whole.

We should consider these issues as we monitor this legislation, but thankfully, however, the version that has come back to us from the conference committee contains a more narrow set of joint and several liability modifications. Included in the new version is a clause which protects consumers who are innocently victimized by Y2K solution providers who act in bad faith.

It is my hope that the definitional structure of what will constitute a Y2K action for the purpose of these lawsuits, along with the sunset provision, will help balance between the consumer and, of course, our providers.

I urge my colleagues to vote for this conference report. I want to thank all those who brought us to the table of resolution, and I want to acknowledge the White House was intimately and actively involved. They just wanted to come down, as we all did, on the side of a very good bill. I am watching and monitoring as well, as I indicate as we all are, for the Y2K event, but I hope that we will watch it together being reflective of the fact that we voted today for a solution that would help us move into the 21st century with the minimum amount of concern.

Mr. Speaker, I rise to speak in support of this Conference Report, but first I would like to thank the Conferees who worked very hard to find a compromise on certain key issues raised in this bill.

At the outset, let me say that I opposed the version of this bill that was introduced in the House. I opposed the version that came out of the Judiciary Committee. And I opposed the bill on final passage. But that does not mean that I did not try to improve the bill at every stage. I was able to pass a technical amendment on the floor of the House, but there were other improvements that I would have preferred to have made—that I felt would make the bill much more acceptable.

I also want to make clear that I tried to remain open this bill—in recognition of the unique problem that it attempts to address. I understand the plight of many of our software developers, and Y2K solution providers who do not want to take on additional clients because they fear a costly lawsuit. That is understandable. But as a Member of the Committee on Science who has sat through numerous hearings on this subject, I do not feel that we needed to pass open-ended legislation that could be used by corporate America to protect themselves from liability that they have rightfully incurred.

One of the amendments that I introduced, and that I truly hoped we would have a chance to debate on the floor, was a sunset amendment. I am happy to hear that a three-year sunset provision was placed in this bill in conference. Although I feel that the sunset provision in the bill, which is actually contained in the definitions section of H.R. 775, is not as cleanly implemented as I would like, the provision does allay many of the concerns I have about the original bill.

But let me not be misleading—the bill still contains dangerous measures. It still retains caps on punitive damages, but the caps only

protect small business whose net worth is less than $500,000. Large Y2K solution providers do not need this sort of protection—they have the resources to responsibly remediate Y2K problems that manifest themselves. This bill allows plaintiffs to hold them fully responsible, should they choose to behave in a manner befitting of punitive damages.

The bill also contains modifications to the long-standing and well-accepted court doctrine of joint and several liability. The doctrine was established in order to keep plaintiffs, who have been wronged by multiple parties, from having to enter into lawsuit after lawsuit, against different defendants, in order to be made whole. In the original version of the bill, joint and several liability was basically eliminated. Thankfully, however, the version that has come back to us from the Conference Committee contains a narrowed set of joint and several liability modifications. Included in the new version is a clause which protects consumers who are innocently victimized by Y2K solution providers who act in bad faith.

It is my hope, that the definitional structure of what will constitute a Y2K action for the purposes of these lawsuits, along with the sunset provision, will contain the anti-consumer provisions contained in this bill. I also hope that the changes that have been made to the punitive damages and proportional liability sections in the bill keep this from becoming the bloated tort-reform bill we all feared when it was originally introduced.

With that, I urge my colleagues to vote for this Conference Report, and to continue to work together to protect our constituents from discomfort stemming from the Y2K bug.

Mr. GOODLATTE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding this time to me. I rise in strong support of the conference support on the Y2K Act. I also want to take a moment to congratulate the gentleman from Virginia (Mr. GOODLATTE), the gentleman from Virginia (Mr. DAVIS), the gentleman from Wisconsin (Mr. SENSENBRENNER), the conferees and those who worked so hard on this piece of legislation. I am honored to be one of the cosponsors of the bill, and I am glad the conference committee has reached an accord with this issue.

As my colleagues know, it was over 3 years ago that we started with my Committee on Science's Subcommittee on Technology and the Committee on Government Reform and Oversight's Subcommittee on Government Management, Information and Technology chaired by the gentleman from California (Mr. HORN) to have a complete review of the Y2K problem, and in the course of these hearings it became undeniably clear that the prevalence of potential Y2K litigation could adversely impact our Nation's currently robust economy and tie up our legal system long after the problem has been fixed in the computers, and that is why I am very pleased that a compromise was able to be crafted that satisfies the concerns of both congressional chambers and the White House to address the millennium bug and its legal after effects.

The conference report reflects the changes of the High Technology Association's industry the Chamber of Commerce believe are necessary to close the floodgates of frivolous litigation and protect companies that have engaged in good faith remedial efforts, and it does so without taking away an aggrieved party's right to bring a legitimate lawsuit for negligent Y2K failures. This is a legislative solution that will ensure that the year 2000 problem does not extend well into the new millennium.

I urge all of my colleagues to support the conference report. This will greatly assist us to be Y2K okay.

Ms. LOFGREN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. ESHOO), my colleague from Silicon Valley.

Ms. ESHOO. Mr. Speaker, I thank my colleague and wonderful leader on this issue and so many others from the Committee on the Judiciary, the gentlewoman from California (Ms. LOFGREN). I rise in support of the conference report, and I first of all want to salute everyone that has worked on bringing this resolution forward. I think it is a much improved version of the House bill. I did not support the House bill, and I was reluctant in doing that, and I think many people were surprised that I rose in opposition to it, especially because I represent so much of the high technology industry. I thought it was an effort that could be improved upon, and we have that here today, because after all, with the year 2000 Y2K problem, which has now become part of our day-to-day language across America, we wanted legislation that would help American business spend its time and its resources repairing the problem and not moving over into their legal departments to continually litigate it.

This legislation provides limits on the lawsuits while providing redress for real damages, which is what the American people want and need. It encourages remediation and alternative dispute resolution over litigation, which I think is really fairly enlightened in an area that we need to build upon and do more and more with. It provides protections to companies that have acted in good faith while ensuring that bad actors will be liable for the damage they have caused.

I want to take just a brief moment to salute my colleague in the other body, Senator DODD, who has been a real leader on this issue and has worked on a bipartisan basis in the other body coupled with the hard work done, of course, with those that I have mentioned here in the House and finally in the White House. I am very pleased that the President has signaled that he will sign this legislation into law. It would not be effective if it were passed in the year 2001.

So now is the moment, and I am proud to support the conference report.

Mr. GOODLATTE. Mr. Speaker, I yield 6 minutes to the gentleman from Virginia (Mr. DAVIS) the chief sponsor of the legislation.

Mr. DAVIS of Virginia. I thank my friend for yielding the time.

Mr. Speaker, obviously if we had a different President and Vice President, we would have a stronger bill here today, but I think it shows the willingness of our side of the aisle to try to get some kind of bill and some kind of protections for American industry, particularly the high technology industries that are so at risk with the Y2K bug that we are here today with the bill that the President can sign, and now that he has indicated he will sign it, he has given permission to Democrats who opposed this to vote for it.

I think, as I look at this, going back to what was originally offered on the House side, their original bill, this is a much stronger bill in final than was offered on the other side of the aisle in their substitute originally. I just want to highlight some of those.

The conference report, for example, grants benefits in consumer and business. They excluded consumer exceptions, cases from the protections of this bill. The original bill on the Democratic side, their substitute that they tendered, liability of defendants is joint and several subject to the court's discretion in that it should be proportional for a defendant of minimal responsibility.

This mandates proportional liability unless there are insolvent defendants, in which case the injured party is made whole. This is a far more complete protection to companies than was originally offered on the other side. Had we gone in with their entry, we would not be here where we are today with the strengths of this bill. The administration was willing to come further than their colleagues were on the other side of the aisle.

Or this bill has a limitation on punitive damages for small businesses and no punitive damage awards available against governmental entities. Their original provision offered no protections at all in this area, at all. So we have that as well. We were able to work with the administration.

We have Federal jurisdiction over class actions now Federalizing class actions with over 100 plaintiffs who are claiming more than $10 million with special notice requirements to class members. There was nothing offered on the other side when this was offered as their substitute.

And we also offer in this legislation regulatory relief for small businesses, protection for individuals who cannot

make their mortgage payments because of a Y2K problem. Nothing was offered in the original tender from the other side on this issue, so I am grateful for the support that we have received from the 236 Members of this body, from both sides of the aisle, who were willing to start out and support this legislation and not support the fig leaf that was offered up on the other side in the original legislation.

I also want to thank the U.S. Chamber of Commerce, Tom Donohue and Lonnie Taylor, in particular, who worked very hard on this, National Association of Manufacturers and Jerry Jasinowski and their group, the Information Technology Industry Counsel and all of my companies out in northern Virginia, dozens of them, who supported this legislation and felt that this is an appropriate, common sense route even in its weakened state as we move forward.

And I want to thank the administration for coming and meeting us halfway on this and moving on a number of issues where they appeared intransigent just 2 or 3 months ago. It takes two to tango, and at the end of the day I am glad that we are all singing from the same sheet of music.

As the lead sponsor of H.R. 775, the year 2000 Readiness and Responsibility Act, I am pleased to voice my strong support for this conference report. I want to congratulate my colleagues who serve on the Committee on the Judiciary and their staffs for the long hours and late nights that they invested over the last few days and bringing the White House around to making real and significant compromises that will allow this critical legislation to become law in the very near future. And I want to thank Amy Heerink, Trey Hardin from my staff who worked very hard on this as well.

More than 6 weeks ago this body passed a strong and balanced bipartisan legislation that will encourage businesses across the Nation to pursue Y2K repair and remediation efforts without fear of frivolous litigation that would otherwise threaten the competitiveness of the fastest growing segments of the U.S. economy. The President said he would veto the House bill. Following passage on May 12, the weaker bipartisan compromise crafted in the Senate faced a veto after two failed cloture votes before garnering the votes of 12 courageous Democratic senators and passed 62–37.

During that time, the Senate debated and rejected an offer by Senator KERRY from Massachusetts that had the support of the President, but I liken it to the House substitute offered up on the other side. It failed to win a support of even the majority of the Senate by a fairly substantial margin. I would also note that the Kerry proposal, like the substitute offered here, was soundly rejected by the year 2000 Coalition who supported the original legislation including the vast remnants of the high technology industry.

□ 1400

Despite modifications made to the Y2K Act by the bipartisan cosponsors in the other body responding to nearly all of the President's objections, the White House still insisted the President would veto the Senate measure. The President's statement of administration policy is that he would accept the modified version of proportionate liability in the Senate bill. He opposed liability caps on directors and officers. Those were eliminated.

The punitive damage caps were severely modified to only apply to small businesses with fewer than 50 employees and individuals with a net worth of less than half a million dollars; and when the defendant is found to have intentionally injured a plaintiff, by the jury, the sky is the limit.

In recognizing the need to have a bill enacted into law as soon as possible, the House conferees accepted the Senate amendments to the House bill and adopted the Y2K Act with two technical amendments. But due to the White House's failure up to that point to come forward with any substantive suggestions for a compromise, we in the House urged them to come to our conferees in good faith and provide us with specific language that we would consider in order to get a bill passed and working to encourage businesses to spend their dollars on fixing the Y2K problem, not in frivolous litigation.

Understanding that, the House and Senate conferees were moving quickly to produce the conference report in this legislation. We wanted to get it passed and through before the July 4 recess; and I want to congratulate the White House on recognizing the necessity for this legislation, for a vast turnaround from their earlier testimony before one of our committees where they said no such problem exists.

I urge all of my colleagues to vote yes on the conference report for H.R. 775, the Y2K Act.

Finally, I want to thank my colleague, the gentleman from Virginia (Mr. GOODLATTE), who steered this through the Committee on the Judiciary and the House. Without the gentleman from Virginia (Mr. GOODLATTE), this would not be here; and I appreciate his good work.

Ms. LOFGREN. Mr. Speaker, I yield 2½ minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, as one of the lead Democratic sponsors of the Year 2000 Readiness and Responsibility Act, I rise today in strong support of this legislation. Anybody that has followed this legislation knows that the debate surrounding it on both sides of the aisle has at times been driven more by political maneuvering than substantive policy concerns. That is why we are so pleased that this truly bipartisan compromise conference report has been worked out with both Chambers and the White House.

It was done because all involved decided it was more important to our Nation and our economy to pass Y2K litigation reform than to play politics as usual.

Currently, American businesses, governments and other organizations are tirelessly working to correct potential Y2K failures. It involves reviewing, testing and correcting billions of lines of computer code. American businesses will spend an estimated $50 billion to reprogram their computers, but despite these efforts many of the Y2K computer failures will occur because of the interdependency of the United States and world economies.

In contrast to other problems that affect some businesses or even entire industries engaged in damaging activity, the Y2K problem will affect all aspects of our economy, especially the most productive high-tech industries.

As the Progressive Policy Institute said, this is a unique, one-time event, best understood as an incomparable societal problem rooted in the early stages of our Nation's transformation to the digital economy. That is why it is so important that we do the right thing on this legislation.

Without this legislation, it has been estimated by legal experts that the litigation surrounding the Year 2000 could be in excess of $1 trillion. If this bill does not prevent economic damage recoveries, injured plaintiffs will still be able to recover all of their damages and defendant companies will still be held liable for the entire amount of economic damages that they cause.

Additionally, all personal injury claims are exempt from this legislation.

This is the time for Congress to act to protect American jobs and industry, and that is what this bill does.

The goal of Congress should be to encourage economic growth and innovation, not to foster predatory legal tactics that will only compound the damage of this one-time national crisis. Congress owes it to the American people to do everything we can to lessen the economic impact of the worldwide Y2K problem and not let it unnecessarily become a litigation bonanza.

In summary, in the State of the Union address, President Clinton urged Congress to find solutions that would make the Year 2000 computer problem the last headache of the 20th century rather than the first crisis of the 21st.

This legislation accomplishes that objective. It is good legislation. We should get a unanimous vote for it.

Mr. GOODLATTE. Mr. Speaker, I yield 1 minute to the gentleman from

Iowa (Mr. LEACH), the chairman of the House Committee on Banking and Financial Services.

Mr. LEACH. Mr. Speaker, I thank my distinguished friend, the gentleman from Virginia (Mr. GOODLATTE), for yielding me this time.

Mr. Speaker, let me just stress that no one knows at this time either in America or worldwide if this is not the most exaggerated or the most understated issue in the history of the American or world economy.

On the other hand, what this bill does is move in the direction of trying to deal with some potential problems which may arise, and in this regard, I would like to express particular thanks to the extraordinary leadership of the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. GOODLATTE) and the constructive involvement of my good friend, the gentleman from Virginia (Mr. MORAN).

Mr. Speaker, I would like to submit additional comments on one very subtle aspect of this particular bill.

These comments relate to Section 4(h) of the Senate amendment.

A June 23, 1999, letter from four federal financial regulatory agencies—the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS)—warned that in their view, Section 4(h) was "drafted so broadly that it could lead to significant unintended consequences having the potential to adversely affect the safety and soundness of the banking system and the national economy." In fact, the letter went so far as to assert that, ". . . it is difficult to overstate the disruptions that a broad reading of this amendment could cause."

Given that assessment, we worked closely with House and Senate Judiciary committees and with the federal regulatory agencies to develop compromise language which the conferees have adopted. The new language focuses narrowly on consumer mortgages and prohibits any party from taking action to foreclose on residential property if an actual Y2K failure early next year interferes with timely and accurate mortgage payments. A consumer who becomes aware that a Y2K failure has occurred, and that his or her mortgage payment was lost or delayed as result of that failure, will have seven business days to notify the mortgage service company in writing. The parties to the transaction will then have four weeks to work out a solution. This amendment in no way excuses anyone from fulfilling their legal and financial obligations but will allow for extra time to resolve what may be a once-in-a-lifetime problem.

The bottom line is that this language accommodates potential homeowner concerns without having disruptive implications for how financial services are delivered or posing a litigative nightmare. I urge adoption of the conference report.

Before concluding, I might add that yesterday, June 30, 1999, was a bellwether day in the banking industry's Y2K readiness program. Bank regulators had told financial institutions across the country that they were expected to finish fixing their mission critical systems and testing them for Y2K bugs by that date. The Committee expects to have data by Monday, July 26, on the numbers of institutions which met the deadline. I am hopeful that the regulatory agencies and the banking and financial services industry will prove to be sufficiently prepared that no homeowner will find it necessary to avail themselves of the relief in this bill.

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

Mr. Speaker, I am happy that we are here today and about to approve this conference report with what I'm certain will be a very wide margin of votes in support. Just a week ago, I was not at all confident that we could achieve what we are about to achieve here today. People had dug in and compromise seemed unlikely.

I was actually a member of the conference committee, as the Speaker well knows. It was the first conference committee I had ever been a member of, and I could easily observe at our first and only meeting that there was a great deal of anger in the room. People were fed up with the process that brought them there, to that meeting. Without going into who did what to whom, and how it could have been improved, we got past that anger.

Many have been mentioned for their contributions to this process. I want to give special thanks to my colleague and my leader on the Committee on the Judiciary, the gentleman from Michigan (Mr. CONYERS), the ranking member, whom I think, showed great serenity and leadership as he tried to sort through the many complex issues that comprise Y2K.

I also want to mention someone who has not been praised by anyone else today, and that is Senator HATCH. His cool voice of reason and comity suggested that the White House should be invited to sort through these issues with the conference staff last Friday and through the weekend and all through Monday night. Senator HATCH was therefore enormously helpful in getting people together.

I also want to thank the staff. As I just said, the White House lawyers and staff were up all Monday night working on this settlement, and I think the Committee on the Judiciary staff put in similar hours, and this is true on both sides of the aisle. I appreciate the effort that they put into this.

I also want to mention my own special counsel, John Flannery, who put in extraordinary efforts trying to keep people working together on this.

This conference report, as I said earlier this morning when we were discussing the rule, could have been approached in a variety of ways. I am happy to support this one. I think this bill is narrowly crafted to deal with this Y2K event, only months away. As the chairman of the Committee on Banking and Financial Services just said, we do not know what is going to happen when the Year 2000 arrives, or strikes, as the case maybe. There are many people in Silicon Valley, many CEOs, who do not believe anything much is going to happen when the Year 2000 strikes. Then there are others who believe a lot may happen. None of us will know—until the event occurs.

It is because of the latter possibility, what could go really wrong that makes it so very important we take this step to prepare for the possible litigation that may accompany this worst-case possible scenario.

I want to underscore, however, the fact that the parties have come together on this issue at this time does not mean there will be agreement on a wide diversion of seemingly related issues. Pending in the Committee on the Judiciary are a variety of measures that would change tort law, change civil law in America dramatically. Some of the people who are going to vote for this conference report will not, in fact, support a wholesale change of American civil law.

Let me explain why. When I was thinking about this conference report and the underlying bill, I was reminded of President Abraham Lincoln. In the Civil War, President Lincoln suspended habeas corpus because the threat to the Union was so severe that the President believed he had to resort to this extraordinary remedy. That does not mean that we held the habeas clause any less dear as a guarantor of our liberty, but we had a crisis that prompted this action.

If bubonic plague were to break out, the health officers would not need to get a search warrant when, in pursuit of the plague, they had to gain entry. That would not mean we had any less affinity or affection for the fourth amendment, which helps keep our country free.

In this sense, the Y2K event is similar. Although none of us will be around at the next millennium, after the Year 2000 this will hopefully not be an issue. If it is, we can say here and now, that at least once a millennium, we will make a special exception to deal with this kind of crisis.

I appreciate the fact that the White House has sorted through these same policy issues and said as much.

I think that what we have before us is a fair and reasoned response that will provide useful benefit to the high-tech community and to our economy, because the real underlying issue is, if we do experience the worst-case scenario, the hit on our economy would be so enormous, that it would require the remedy and relief provided for in this bill.

I am proud to say that this conference report has the support not only of myself but of the ranking member, the gentleman from Michigan (Mr.

CONYERS), and many, many others, including our friends across the aisle and on this side of the aisle. I think it is something that we can be proud of and I sincerely hope and expect it shall in the near future serve as a model for additional legislative collaboration.

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

Mr. GOODLATTE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, let me just say when this came up, we sent the conferees last week, the gentlewoman from California (Ms. LOFGREN) and others had said, please work with us. I know there was skepticism, but at the end of the day I think we recognized that this legislation is far better than the current status quo in terms of the protection it gives to companies and people who have acted innocently and in good faith to try to fix the Y2K problem.

So we took their suggestions. They have come over and have met us halfway. I think we have the final product.

I would like to rehash this because I think it is important for American industry to know where the people come from as they try to decide these things, and I went through it in that manner. But we are here today because we recognize that there is a need and because they were ready to meet us halfway on that issue. So I am glad we have this final product.

I am proud to stand up here as the chief sponsor of the legislation and say we have a product that I think does, in large part, what we intended for it to do when we started out. It does not do everything we wanted, for the reasons I outlined before, but again I want to urge all of my colleagues to vote yes on this.

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

Mr. Speaker, first I would like to commend the gentleman from Virginia (Mr. DAVIS) for his leadership on this issue from start to finish. Sometimes individuals introduce legislation and it goes to a committee that they are not a member of and it goes through the process and they are not involved too much. The gentleman from Virginia (Mr. DAVIS) has been involved in this process, he and his staff, from start to finish, and I want to commend him for shepherding this legislation. He has done an outstanding job in that regard, making sure that the needs of the high-tech community not only in his district in Northern Virginia but all across the country are met, along with the needs of the broader business community who buys this equipment and needs to make sure that it operates effectively and have good working systems on January 1 of next year, not a good lawsuit on January 1 of next year. That is what this legislation accomplishes.

In addition, this legislation is very, very sensitive to the needs of America's consumers, those folks who not only rely on businesses to provide them with the goods and services they need but who have consumer products in their homes. Whether they be microwave ovens or personal computers or automobiles, whatever the case might be, we want to make sure that they have the problems that are associated with Y2K solved; and if they are not solved, that they have still their good legal remedies.

Under this legislation, they do. If there is a personal injury involved, for example, this legislation does not affect their rights to bring a cause of action for injury in any way, shape or form.

□ 1415

There is a carve-out for consumers with regard to consumer goods that assures them that they can recover the full amount of their loss if they experience one.

But the main intent of this legislation is to not see those losses occur at all. That is why I am so proud of this legislation, and have had the opportunity to move it through the Committee on the Judiciary, through the House, and through the conference to a good, solid bill that adheres to the original principles contained in the original legislation of the gentleman from Virginia (Mr. DAVIS).

While we have compromised, while we have made a number of changes with regard to the details of the bill, the core of the bill in terms of putting caps on punitive damages, in this case for small businesses of fewer than 50 employees, to make sure that we do not have a strong discouragement of solving this problem, that is in the bill.

To move to the standard of proportional liability, so somebody who may be 1 percent responsible for a Y2K problem does not get stuck with 100 percent of the bill, that is in this legislation. They will only pay their respective percentage of the problem, except under certain details, in which case it can be a little bit higher. But nonetheless, they are not going to be, in most circumstances, faced with the entire tab if they only caused a small percentage of the problem.

Class action reform, something that I am vitally interested in because I have introduced legislation on this in a broader sense to apply to all class actions, we have that reform in this legislation.

It makes sense for our Federal courts to handle Y2K class actions when they go beyond the scope of a single State. When they have plaintiffs or defendents from a multitude of States, this legislation will allow us in most instances to remove that legislation to the Federal courts, where they can consolidate actions from different States and they can apply a more consistent standard, and they can avoid the kind of forum shopping that takes place sometimes now.

In addition, the legislation contains conditions that if the plaintiffs seek punitive damages in their class action suit the case can be removed to Federal court, regardless of the amount in controversy. So these reforms are vital.

In addition, there are reforms that encourage folks to settle their differences outside of the courtroom: A 90-day cooling off period that is so important to allow a defendant who is made aware of a problem that somebody has in their computer system, in the machinery that is operating the manufacture of their products, whatever the case might be, they need to be given notice that the problem exists and then an ample amount of time to correct the problem. This bill does that.

The thing that pleases me the most is that because of the bipartisan compromise that we have reached with I think we are going to see soon an overwhelming majority of Members of both sides of the aisle voting for this, and with the support of the White House indicated in several letters that have now been received, because of this cooperation we are getting this bill done in very short order, and that means that we will have about 6 months for everybody who is facing this problem to go at solving the problem without fear of entangling themselves in a litigation morass, and that is going to do more than anything else to make sure that when that clock ticks to 12:01 on January 1 of the year 2000, computers across the country will know that indeed it is the new millenium and that we have not gone back to the horse and carriage era of 1900.

That, to me, will spell a continuation of the success we have had in this country with a booming economy as a result of the high-tech industry that is fueling our leadership around the world, our growth in our economy compared to other countries around the world, and the fantastic job creation that has taken place of good, high-paying jobs.

This industry needs to have this incentive to move forward, rather than the hindrance to be set back with a major problem in the year 2000. We are going to accomplish that here with passage of this legislation today, send it to the Senate, and then send it to the President, and get on with the business of getting ready for the new millennium.

Mr. COX. Mr. Speaker, I am pleased today to support the conference report on H.R. 775, the Y2K Act of 1999. This bill seeks to promote Y2K preparedness and prevent a crushing, $1 trillion lawsuit tax on American workers and families—the cost of litigation predicted to result from the Y2K bug.

The 1st Y2K lawsuits were filed in mid-1997, two and half years before the millennium. Some unethical lawyers are now holding workshops on how to start Y2K class actions. They are planning for abusive class actions on an unprecedented scale, which will—unless Congress acts—injure virtually every sector of the economy.

This bill will prevent extortion suits against deep-pockets defendants. It will protect consumers with meritorious claims by requiring lawyers to act for their clients' benefit rather than their own. It will guard against unethical lawyers raking off hundreds of millions, and even billions of dollars in fees that should go to redress real injuries.

Far too long, the fear of litigation has seriously impeded remediation of Y2K problems. Small and large businesses are too often limiting their own internal reviews, and their external disclosure and cooperation, so that they can avoid being accused of making inaccurate statements about their Y2K readiness, or of "misconduct" or "negligence" when they are actually trying to fix the problems that someone else created.

This bill will ensure that America does everything possible to fix Y2K problems before January 1, 2000. Inevitably, some Y2K failures will occur; and when they do, the innovative procedural reforms in this bill will encouraged alternatives to unnecessary litigation. And the bill's pro-consumer class-action reforms will ensure fair treatment of every individual, even in enormous, nationwide Y2K cases.

As an original cosponsor of this important, common-sense reform legislation, I am pleased to join in this effort to help consumers and preserve our country's high-tech edge in the global economy.

Mr. GOODLATTE. Mr. Speaker, I urge every Member of the House to vote for this conference report, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. LOFGREN. 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 404, nays 24, not voting 7, as follows:

[Roll No. 265]

YEAS—404

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—24

Bonior
Capuano
Crowley
Delahunt
Duncan
Filner
Hinchey
Kennedy
Kucinich
Lee
Lewis (GA)
McKinney
Meeks (NY)
Paul
Rahall
Rothman
Sanders
Schakowsky
Scott
Stark
Tierney
Waxman
Weiner
Weygand

NOT VOTING—7

Brown (CA)
Dingell
Fossella
Goodling
Green (TX)
Hall (OH)
Lipinski

□ 1442

Messrs. TIERNEY, CAPUANO, KENNEDY of Rhode Island and MEEKS of New York changed their vote from "yea" to "nay."

Mr. BURTON of Indiana changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1059, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. SPENCE. Mr. Speaker, pursuant to clause 1 of rule XXII, and by direction of the Committee on Armed Services, I offer a privileged motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. SPENCE moves that the House take from the Speaker's table the Senate bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with the House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate on the disagreeing votes of the two Houses thereon.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from South Carolina (Mr. SPENCE).

The motion was agreed to.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. SKELTON moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 1059 be instructed to insist upon the provisions contained in section 1207 of the House amendment (relating to goals for the conflict with Yugoslavia), in order to recognize the achievement of goals stated therein by—

(1) the United States Armed Forces who participated in Operation Allied Force and served and succeeded in the highest traditions of the Armed Forces of the United States;

(2) the families of American service men and women participating in Operation Allied Force, who have bravely borne the burden of separation from their loved ones, and staunchly supported them during the conflict;

(3) President Clinton, Commander in Chief of United States Armed Forces, for his leadership during Operation Allied Force;

(4) Secretary of Defense William Cohen, Chairman of the Joint Chiefs of Staff General Henry Shelton and Supreme Allied Commander-Europe General Wesley Clark, for their planning and implementation of Operation Allied Force;

(5) Secretary of State Madeleine Albright, National Security Advisor Sandy Berger, and other Administration officials who engaged in diplomatic efforts to resolve the Kosovo conflict;

(6) all of the forces from our NATO allies, who served with distinction and success; and

(7) the front line states, Albania, Macedonia, Bulgaria, and Romania, which experienced firsthand the instability produced by the Federal Republic of Yugoslavia's policy of ethnic cleansing.

□ 1445

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the rule, the gentleman from Missouri (Mr. SKELTON) and the gentleman from South Carolina (Mr. SPENCE) each will control 30 minutes.

The Chair recognizes the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume, and I move that the motion to instruct be adopted by this House.

This is a motion to require or to urge the conferees to adopt section 1207 of the House amendment. The House will remember this is an amendment offered by the gentleman from Mississippi (Mr. TAYLOR) which dealt with the goals for the conflict in Yugoslavia. I might say that these goals were set forth by numerous people, including General Wesley Clark, including the President, including the Secretary General of NATO. They have been the polestars of this whole conflict.

We do this in a customary manner, Mr. Speaker. Customarily, at the end of a conflict, we compliment as a body those who participated in and helped achieve a victory. There is no question about it, this is a substantial victory for the allies, a substantial victory for NATO, and a substantial victory for the United States of America.

First, we speak of the United States Armed Forces. True, it was an air war primarily, but many of the Army and much of the Navy were deeply involved. But for that effort, it would not have been nearly as well done or as well planned nor as well executed.

To the families of American servicemen and women who bear the brunt of their spouses and their mothers and their fathers being gone, because of the separation from their home, from their loved ones, and we support them through this by giving them a congratulatory word.

To the President, for his steadfastness, for his perseverance toward the goal of victory.

To the Secretary of Defense, the Chairman of the Joint Chiefs, the Supreme Allied Commander, all of them for their hard work and planning and implementation of this Operation Allied Force.

To the Secretary of State, the National Security Adviser, and the other administration officials who engaged in diplomatic efforts which, in the end, resolved the Kosovo conflict.

And to all the forces of our NATO allies. This was not a mere United States effort. It was an effort on behalf of all the NATO nations led by the Secretary General and the Allied Commander in Europe, General Wesley Clark.

To all the front line states, those who bore the burden of refugees and of having foreign forces on their soil. Albania, Macedonia, Bulgaria, and Romania, they all experienced the instability produced by the Federal Republic of Yugoslavia in its policy of ethnic cleansing.

This is a mere token of appreciation by this House to each of these people, to each of these countries, to each of those who participated and bore the burden of victory in Yugoslavia.

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

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

Mr. Speaker, the motion by the gentleman from Missouri speaks to an uncontroversial provision offered by the gentleman from Mississippi (Mr. TAYLOR) and adopted by a voice vote on June 10 during House consideration of H.R. 1401.

Section 1207, the provision in question in the motion, has two parts. The first part restates the authorities of the Congress under the Constitution to declare war and provide for the common defense. The second part establishes eight policy goals for the NATO military operation against Yugoslavia which, at the time the provision was adopted, was winding down and, in fact, is now over.

The gentleman's motion does go beyond the text of the House-passed language and asserts that the House should support section 1207 in order to recognize the efforts of our troops, the military chain of commands and a long list of others. While I do not believe that section 1207 or its legislative history had, or has, anything to do with the assertions contained in this motion, I nonetheless support the motion of the gentleman from Missouri and specifically want to commend the United States military and our NATO allies who executed Operation Allied Force with skill and courage.

Our Armed Forces, together with the military forces of NATO allies, conducted a military campaign involving over 35,000 aircraft sorties without a single casualty. The United States was responsible for the bulk of this military effort, especially with regard to air strikes against the most heavily defended and difficult targets in Kosovo and Serbia.

In addition, the United States forces provided most of the essential military capabilities in the areas of intelligence surveillance, reconnaissance, aerial refueling, electronic warfare and combat search and rescue. While having to carry out what unexpectedly and unfortunately turned into the equivalent of a major theater war, the United States Armed Forces were also providing almost simultaneously significant contributions to the humanitarian assistance effort as part of our Operation Allied Harbor in Macedonia and Albania.

Mr. Speaker, irrespective of how one might feel about the policy assumptions and judgments that unfortunately got us into this conflict, assumptions and judgments which I strongly disagreed with at the time, these in no way are endorsed by the motion of the gentleman from Missouri. I believe we can join together in commending the dedication and courage of all those in the Armed Forces who carried out this difficult military campaign. I am prepared to support this motion.

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

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank my colleague for yielding me this time, and I rise in strong support of the motion to instruct conferees on the Defense Authorization bill to insist on language in the House bill articulating the goals and objectives of the air campaign in Yugoslavia.

Our military forces with our NATO allies have done a tremendous job in Kosovo. They have ended Yugoslav aggression against its own people, forced

the withdrawal of Yugoslav military forces from Kosovo, reached an agreement with Yugoslavia on an international military presence in Kosovo, and started the safe return of Kosovo refugees.

The success we have achieved in Kosovo could not have been achieved without strong leadership from President Clinton and his senior military advisers. In particular, General Wesley Clark distinguished himself by conducting an air campaign that suffered not a single combat casualty. I will be introducing legislation shortly, Mr. Speaker, to award General Clark the Congressional Gold Medal for his efforts.

Or Nation's goals and objectives have been achieved with unparalleled success. We owe our military personnel a debt of gratitude for their service. I urge my colleagues to vote for this motion to instruct conferees.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, while I agree with my friend, the gentleman from Missouri (Mr. SKELTON), on the service of our military men and women, because their efforts are laudatory, I disagree extremely with the laudatory comments about our diplomatic corps and the President in this effort. As a veteran, it is sickening to me, and I will tell my colleagues why.

The total number of people killed in Kosovo prior to our bombing was 2,012. We have killed more than five times that amount in our bombing, and yet we are supposed to be saving people. There has been a forced and increased evacuation of Albanians outside of the country. The United States flew 85 percent of all the sorties and provided 90 percent of all of the weapons, and we are only supposed to pay 15 percent of it. If my colleagues will remember, in Desert Storm, George Bush actually made $2 billion. We did not have to spend $100 billion in the war and rebuilding Kosovo.

Rambouillet was a joke to start with and, in my opinion, caused us to go there. Jesse Jackson said that we need to understand both sides of an issue. One, what were the fears of the Serbs? One, that the number of Serbs that were killed by the KLA was going to continue if Rambouillet existed. There are 300,000 Albanians that live in Yugoslavia that have not left, where the KLA is not. Secondly, that none of their police forces could stay and protect the Serbs. And we can see what is happening today there. Third, they were afraid that no one would protect them at all. And to me this is a travesty.

Our diplomatic corps did not make this happen. If my colleagues will take a look, it was Russia. From the day we started bombing, I said, we need Russia to negotiate, we need Scandinavian and we need Italian troops to resolve this, A, to protect both sides; and, B, to have some stability in there. And yet the United States and our diplomatic corps did not.

We are going to see increased interest rates. We will see us pay $100 billion before this is over. And my colleagues that want to save Social Security and Medicare, where do they think this comes out of? The surplus.

General Reimer told me that we used 1 year of life in our aircraft, which were already devastated with parts, and most of those are engines and so on. If we take a look, one-half of our tankers participated, but we used all the crew. We are only keeping 23 percent of our military personnel in here, and it has been devastating.

So, yes, our troops were exemplary, we did the job. But, in my opinion, the President of the United States and the whole diplomatic corps, through their failure, caused the war in the first place.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I respectfully disagree with my friend from California. Let us give credit where credit is due. It was because of the strength and perseverance and unity of all 19 democratic nations of NATO that finally got Milosevic to capitulate and end the atrocities in Kosovo. But, ultimately, the credit belongs to those young men and women in American and NATO uniform who were being asked yet again in the 20th century to restore some peace and humanity to the European continent.

A few weeks ago I had the opportunity to travel to the Balkans and to meet and see firsthand those troops who were carrying out this dangerous mission. I wish all Americans had the opportunity to experience what I did and to feel the patriotism and the pride that I felt in those troops over there.

□ 1500

They performed their mission with honor and with great success. Unfortunately, two young officers were not able to return home safely. These were Chief Warrant Officer David Gibbs of Ohio and Chief Warrant Officer Kevin Riechert from a small town in my congressional district in western Wisconsin, Chetek.

I am sure that all our thoughts and prayers go out to their families today. I just wanted to recognize and acknowledge their service and the sacrifice they and their families made on behalf of our country.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I want to speak about some concerns and reservations about what we are doing here. Because I certainly, unequivocally, join 435 Members of this House in support of our Armed Forces and the great work that they have done and their families who have supported them throughout this and I support the whole chain in that respect. But I must say, I am very concerned that this could be misconstrued as an endorsement of support for our policy in Kosovo.

Because I, as do so many Members of this House, oppose this war. This was the result of diplomatic ineptitude. It is bad foreign policy. The President and the leaders never have told the American people what our American peril was in Kosovo. We do know that one of the goals was to try to bring peace to that area, and yet we are going to have 50,000 ''peacekeepers'' acting as proactive police officers in that area for an unlimited amount of time. I hardly say that that is a fitting conclusion to a war and animosities that date back at least to the Field of Blackbirds in 1389.

So I want to say, unequivocally, that this House Member joins many, many other House Members in saying we did not support this war and do not want to have this vote being construed as supporting the war. I do not think that the President showed great leadership, nor did most of his cabinet members, when they cannot define what the peril is, why we are in a conflict, and when the result of that conflict or that action is the evacuation of 855,000 people from the country and then another 500,000 within the country who have lost their homes, and now, after already spending $12 billion in the Balkans and another $5 billion in Kosovo itself, we are going to be spending billions more to rebuild that society, which I will not say we should run from that responsibility at all.

But I do think now we are in it, and it just seems to me that this administration's whole policy in the Balkans has been a quagmire. It has been vague. It has been haphazard. I do not believe that this is an outstanding chapter in American diplomatic history whatsoever.

So I do understand that the gentleman from Missouri (Mr. SKELTON) has great respect for the armed services, which we all admire and we all join him in doing. I am going to support this portion because the armed services personnel are being commended. But I do want to emphasize strongly that a large number of Members of the House on the Democratic and Republican side oppose this policy in the Balkans, oppose this war, and we have great questions about the so-called peace agreement.

How long are we going to be there? When do we get out? What will be the result? Why is Russia in the process

when they did not contribute to this yet they are going to have a major part in the rebuilding of Kosovo? Will this make Kosovo more western, or is it going to make them more pro-Russia?

So I just wanted to air those reservations, Mr. Speaker.

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

Mr. Speaker, there is a limitation on time, but I wish to point out to my friend from California that the wording herein is a reflection exactly of the matter that was passed in the United States Senate unanimously.

I might also say that, because of what we did, the horrors, the deaths, the starvings, the burned homes, the rapes, and all the tragedies have come to an end because of what we, our leadership, our Armed Forces, and our allies did. So this is an effort to commend all of them in urging the House to adopt section 1207.

Mr. Speaker, I yield 1 minute to the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ).

Mr. ROMERO-BARCELÓ. Mr. Speaker, I rise in strong support of the motion to instruct conferees and to commend our troops for the success in Kosovo.

We in Puerto Rico are pleased to have participated in the endeavor to secure democracy for Kosovo. A portion of our military's training was carried out in Vieques, Puerto Rico. During that training, a tragic accident occurred when a bomb went 1½ miles off target and killed one civilian and injured four others.

I urge the conferees to address the safety and security concerns of the 9,300 American citizens who reside in Vieques. The accident of April 19 underscored the hazards to which the residents of the island are exposed by the bombings during our military maneuvers at the Navy range.

We must consider other options for training which do not pose a danger to the U.S. citizens in Vieques, Puerto Rico.

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

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman from Missouri (Mr. Skelton) for yielding me the time.

Mr. Speaker, I rise in strong support of this motion. I certainly commend our brave United States Armed Forces, their families. I believe that President Clinton ought to get all the praise possible for the conduct of this war. Secretary Cohen, Secretary Albright, all the NATO allies, the front-line states, Albania, Macedonia, Romania, and Bulgaria, this was truly a united effort.

I very much regret that we needed this vehicle to put forth this resolution commending our Armed Forces. The Senate, as the gentleman from Missouri (Mr. SKELTON) pointed out, unanimously adopted a resolution several weeks now. We have been trying to get the Republican leadership to allow us to have a similar resolution on the floor, but they have denied it. This is the only vehicle.

What, frankly, really bothers me is that the same critics in this House who were calling the war ''Clinton's war'' and were saying that bombing would never work and the war would never be won and this was a tragedy and this was a travesty now will not give credit where credit is due.

The fact is we won this war. We ought to be proud of winning this war. The President was right. The President did the right thing in Kosovo.

I co-chaired the Albanian Issues Caucus, and we have been yelling for years and years about the ethnic cleansing that is going on in Kosovo, the lack of human rights, the fact that the ethnic Albanians there were denied for years and years the basic rights.

I am proud of our country for stepping in and standing up for human rights. I am proud of our President for taking a stand. It would have been politically easier for him to just sit back and say, what can we do? This is not our war. Ethnic cleansing and genocide, as abhorrent as it is, there is nothing we can do about it.

But the President did not say that. The President took action, and thank God he took action and saved thousands upon thousands of lives.

The fallacy that ethnic cleansing somehow was not happening and that the bombing caused it is nonsense. It is what I have been calling for years ''quiet ethnic cleansing'' or ''slow ethnic cleansing.'' And we put a stop to it and we allowed ethnic Albanians, who constituted 90 percent of the population of Kosovo before the war, to be able to live normal lives.

So I think that our Armed Forces ought to be praised. The President of the United States deserves all the praise there can be. And my colleagues on the other side of the aisle that were calling this ''Clinton's war'' ought to be calling it ''Clinton's victory'' because the President deserves the credit. I am very, very proud of what we did.

I want to say, I hope that there will be autonomy and self-governing. But, as I have always said, I believe, long range, the solution for Kosovo is independence because those people have the same right of self-determination and independence that the other people of former Yugoslavia when the former Yugoslavia broke up and Croatia and Bosnia and Macedonia and Slovenia all had the right to self-determination. The ethnic Albanians in Kosovo, in my estimation, ought to have that same right.

So, again, I commend the gentleman from Missouri (Mr. SKELTON) for this. I think we all ought to go on record as praising the Armed Forces and commend President Clinton.

Mr. SKELTON. Mr. Speaker, may I inquire as to the amount of time that we have remaining on this side, please?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Missouri (Mr. SKELTON) has 19½ minutes remaining. The gentleman from South Carolina (Mr. SPENCE) has 21 minutes remaining.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in strong support of his motion to recommit. Of course we should commend the troops. Of course we should commend the President. Of course we should commend the Secretaries of State and Defense and all of the NATO leaders and all the NATO countries and all the front-line States that stood up to this terrible situation in Kosovo.

What astonishes me is that it was bad enough that the effort here in this House was not bipartisan to support our effort in Kosovo and today we do not have bipartisan support to commend the effort in Kosovo. We have to resort to this parliamentary effort to get a vote to commend these terrific achievements. And I think it is a sad day.

My father and grandfather, lifelong Republicans, taught me that politics ended at the water's edge. Well, I am afraid to tell the gentleman and the House that this Republican party is not my grandfather's or my father's Republican party. Something has gone wrong here. But we had strong leadership. NATO did the right thing.

I support the motion of the gentleman.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of this motion by my good friend from Missouri. This motion instructs conferees to retain the provisions of the defense authorization legislation relating to the goals for the conflict in Yugoslavia.

Maintaining this language will allow us to recognize the brave men and women in the U.S. Armed Forces who have served this Nation so well. Through their efforts and the efforts of our allies in NATO, we have stopped a brutal tyrant from continuing his attempts to destroy a region and its people. This motion not only praises our uniformed personnel, but it also recognizes the critical contributions of their families. Without the sacrifices of the husbands and wives and children back home, we could not have accomplished our military goals.

When we debated the defense authorization on the floor of this House, the military conflict was underway. Now, however, we are afforded an opportunity to show our thanks on the record for the victory that they have achieved. Now, as the peacekeeping work begins, we must continue to support the military's efforts and stand by our military men and women in the field and their military and civilian leaders.

I urge my colleagues to vote for this motion.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend the gentleman from Missouri (Mr. SKELTON), our ranking member, for yielding me the time.

Mr. Speaker, the system that is over 200 years old in our country has been a very wise one indeed. It is a system in which we vigorously debate and often disagree about what direction our country's policies should go in before we engage in conflict. But it is also a tradition that says that, once we engage in conflict, we unify.

It is the wisdom of this motion to instruct that reflects that tradition, and it is because of that wisdom that I rise in strong support of the motion. This motion appropriately looks both backward and forward.

It looks backward to say thank you to a lot of people who made a tremendous effort to make the successful result in Kosovo possible, to our very brave and noble troops, to their families who supported them back home, to our allies who stood with us, to the front-line States who endured, and, yes, to the leaders of our country, the military leaders in uniform, the diplomatic leaders at the State Department, Secretary Cohen at the Defense Department, and certainly to the Commander in Chief, to President Clinton. These are words that are definitely worthy of being said by this Congress.

It is also important to support this motion because it looks forward. It recognizes that although the conflict is hopefully over in Kosovo, the job is not, that there still are objectives to be met to establish a framework under international law for a Democratic government to make sure that those, including President Milosevic, who commit crimes against humanity are brought to justice, to be sure that refugees are brought to a safe and humane home and resting place once again.

This resolution is in the finest bipartisan tradition of our country. It looks forward and says there is work still to be done in a bipartisan way, and it looks backward to the brave and noble work of our troops, their families, and their leaders and delivers a well-deserved thanks. I am proud to support it.

Mr. SKELTON. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia (Mr. MORAN).

□ 1515

Mr. MORAN of Virginia. I want to thank the very distinguished gentleman from Missouri for finding a way to bring this resolution to the floor. We ought to be proud of what we have done. Nineteen nations worked together cooperatively to stand up for the freedoms that we enjoy and to stand up against thuggery. The Kosovar Albanians had been denied virtually every freedom that we take for granted in this country since 1989, but that is not why we got involved. We got involved because we knew a war criminal had 40,000 troops massed on the border, was going to go into Kosovo and was going to burn homes, oftentimes with people in them, rape women, execute men, that is what he would have been able to do in order to clear their country of people based purely upon their ethnicity. That is wrong.

The free nations of the world stood up and were successful, and in the process they showed that we can prevail without the loss of one American soldier, sailor or airman. We were successful with an air war when people said it could not be done. We were successful in putting strength and resoluteness in NATO. This set a precedent. We should be proud of what we have accomplished. And we should tell the rest of the world that we are proud in a bipartisan manner.

That is what this resolution is all about. It should be passed unanimously.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in very, very strong support of this motion to instruct conferees that has been presented by the ranking member of the Committee on Armed Services. One of the basic principles that we learn in trying to deal with fellow human beings in our lives is that we should give credit where credit is due. What this motion to instruct conferees does is basically to recognize success, the success of our armed services, the success of our joint efforts along with our NATO allies, and in particular also the contributions of front line states that surround the Federal Republic of Yugoslavia, the success of our diplomatic efforts, and the success of the leadership of our military as well as our civilian authorities and, of course, the success of our President.

But this is not just about a great victory. It is about a great success, with some fairly limited objectives. I am sure that many people will take the time to point out and there will be lots of discussion about the problems that this has created. It will be pointed out that there will be problems with the occupation of Kosovo, problems associated with civil administration, infrastructure, trying to bring people together who have experienced lots of division and have been subjected to all the kinds of things which have gone on under the leadership of Milosevic. But I would like to point out that the problems of peace are infinitely preferable to the problems of war.

What we have here is a resolution that highlights our gratitude to the men and women of our armed services and their families and President Clinton and Secretary of Defense William Cohen and Chairman of the Joint Chiefs of Staff General Shelton, Supreme Allied Commander Europe General Wesley Clark for their planning and implementation, Secretary of State Madeleine Albright and National Security Adviser Sandy Berger. We must send a message of gratitude to all of those who worked hard for this success.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, I thank the gentleman from South Carolina for yielding me this time. I want this body to know and through this body the Nation to know that I support the troops. I think the job that they gave to us and did for us was outstanding. As always, our men and women in uniform have done an outstanding and admirable job. I would vote for this motion to instruct if that is what we were doing. But I have got to tell my colleagues, a declaration of success in Yugoslavia by the media and the White House does not mean that victory was actually at hand. This charade in the Balkans has gone on long enough.

How can you call it victory when Milosevic is still in power? The agreement that they signed to end the bombing is an agreement that Milosevic would have signed before the bombing. How can you call it a victory when the reasons that we went to war are exactly the reasons why it cannot be called a victory. The President said that if we did nothing, there would be Kosovar Albanians destroyed and killed and refugees would flood the borders, there would be instability in the region, and that NATO's credibility would be undermined if we did nothing.

Take a look at it. Thousands of Kosovars were killed, refugees had lost their homes, they are coming back to burned-out homes and areas that are absolutely devastated. Instability is still in the region. In fact, I contend there is even more instability in the region because we now have a partitioned Kosovo, including Russian troops reintroduced into Yugoslavia, something that we have been afraid of ever since World War II. And NATO's credibility

has been undermined. NATO for the first time in the history of NATO changed its mission from being a defensive organization to being an organization that bombs and invades sovereign nations. I contend that their credibility is seriously undermined. On top of all that, our relationships with Russia and our relationships with China and many other countries in the region have been seriously undermined.

That is a victory? Was it worth it? Was it worth it to bomb? Was it worth it to devastate and suck the very strength out of our defenses so that the fact that we had to move an entire aircraft carrier task force out of the Pacific and leave our troops in Korea at risk and move it to the Adriatic Sea? Was it worth it to take our stockpile of cruise missiles and reduce them from 1,000 that we need for a two-theater war down to what some people say is less than 45 and we do not have a production line to build any more? Was it worth it to put the United States in one of the weakest positions that it has been in many, many a year in its ability to fight a two-theater war? I think not.

I do not think this House ought to be commending a President for his leadership, particularly someone like Sandy Berger, Mr. Speaker, whom many people on both sides of the aisle have questioned his leadership, in a motion to instruct. I think this is a terrible mistake to bring this kind of debate to the floor of the House. But it is here and we have to debate it.

I reiterate, once again, that this body unanimously supports our troops and the job that they have done when asked to go. We have no question that they did the best, the job that they were trained to do, under very difficult circumstances. But for us to call this a victory and to commend the President of the United States as the Commander in Chief showing great leadership in Operation Allied Force is a farce.

Therefore, I am going to vote against the motion to instruct and hopefully we can bring a resolution to this floor commending our troops.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume. Let me take this opportunity to point out a bit of history, that I supported the efforts of our country regarding the Contras, that I supported President Bush's efforts, successful efforts against Saddam Hussein, that I supported this country and NATO's efforts against Mr. Milosevic. Omar Bradley, the famous Missourian, Second World War General, once said that ''second place doesn't count on the battlefield.'' We were victorious, Mr. Speaker. Milosevic's troops, his presence is no longer in Kosovo. Was it worth it to take on Saddam Hussein? Certainly. It was well worth it to take on Milosevic. The killing has stopped. The NATO alliance has held together.

I might point out to this body that we are talking about section 1207, and in particular in response to the gentleman from Texas, I wish to read subsection 7 that says, ''President Slobodan Milosevic will be held accountable for his actions while President of the Federal Republic of Yugoslavia in initiating four armed conflicts,'' et cetera. Also section 8 says, ''Bringing to justice through the International Criminal Tribunal of Yugoslavia individuals in the Federal Republic of Yugoslavia.''

That is what we are commending, that is what we are instructing the conferees to adopt, among other items.

Mr. Speaker, it is with pleasure that I yield 3 minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend for yielding me this time.

Three weeks ago, the Federal Republic of Yugoslavia agreed to comply with NATO's demands to withdraw its forces from Kosovo, ending more than 80 days of hostility.

In bringing this conflict to a close, the United States and NATO brought an end to a Yugoslavian campaign of ethnic cleansing, rape and murder. It ended the flood of refugees fleeing Kosovo and gave hope to hundreds of thousands of men, women and children that they would soon be able to return to their homes.

More than 2 weeks ago, the Senate passed a resolution commending all those involved in our Nation's successful efforts in Kosovo. We had hoped that the leadership in the House would bring forth a similar bipartisan resolution commending our troops and congratulating President Clinton and other administration officials for their leadership.

To date, they have refused to bring up such a resolution. For goodness sake, is the dislike so intense, the hatred so great of President Clinton that the Republican majority cannot bring themselves to commend our troops and congratulate the President for his leadership? Listening to some of my colleagues on the floor this afternoon, I can only conclude that this is the case. These troops under the leadership of the President of the United States and the NATO officials stopped a modern day Holocaust from taking place in eastern Europe.

Mr. Speaker, we should overlook partisanship today and vote for the motion to instruct.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Speaker, I rise in strong support and pride in our service personnel in this most difficult Kosovo situation. But I cannot vote for this motion. I can neither support nor condone this military bombing of Kosovo. Bombing is by definition an act of war which if I read the Constitution correctly must be supported by a vote of Congress. There was no such vote for a declaration of war. I am very reticent to allow any President to commit acts of war without such a declaration. The bombing probably killed 7,500 people and did an immense amount of damage. Now we will be asked to go in and repair it.

I think the Congress should notify the President that from now on, no money will be available for acts of war without a declaration of such by Congress. I believe the cost in billions of dollars now will be borrowed—we have not got the money to pay it—now will be borrowed from our children and grandchildren and they will pay interest on it the rest of their lives. I think this is atrocious.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. GEJDENSON).

Mr. GEJDENSON. Mr. Speaker, I am impressed by the agility of the majority party. They come to the floor with incredible arguments on why we can never recognize a Clinton accomplishment.

The whip was in the well saying that, well, Clinton went to Yugoslavia and Milosevic was there before and he is still there now. Let me tell my colleagues, when the Democrats were in control, George Bush went to Iraq. After the Bush administration told Saddam Hussein, ''Oh, you can take a little bit of Iraq, we don't get involved in Arab land disputes,'' and then President Bush, with a majority of Congress, went to Iraq and Democrats and Republicans alike commended the President for a job well done, those who voted for the war and those who did not.

□ 1530

This Congress, on the majority side, cannot find it in its nature to recognize even one act the President may achieve that is successful, stopping a slaughter similar to the ones that led to World War II. Every argument; we have hit buildings, we have caused damage, as if the thousands of people killed by Milosevic were irrelevant. The President deserves no credit.

How many speeches did we hear on the other side that bombing would never work? We have never been able to achieve a goal through bombing day after day on the floor. We achieved our goal. We have rid Kosovo of Mr. Milosevic and his murderers. We are in the process of trying to establish a peaceful society where people can live civilly together. It will not be easy.

But just as Mr. Milosevic is still in control, so is Saddam Hussein still in control. Our goals were never the removal simply of these presidents. God knows we all hope that Mr. Milosevic and Mr. Saddam Hussein are tried as war criminals. But to come to this

floor under almost any excuse because God forbid they should ever say a good word about what President Clinton did; he had the courage to lead the West, to keep NATO united and to succeed in stopping murder on our watch.

First the argument was we could not succeed, second the argument was the danger was too great. The only loss of life was not in combat, as sad as that was. I believe two pilots died in a helicopter crash.

This President succeeded to lead a successful policy, and this Congress had a chance to vote, and there was one day here where somebody described it better than I can. Congress voted. They decided not to go back, not to go forward, and by an even vote, I think of 213 to 213, did not even vote to support what we were doing.

Now after the fact take your partisan hate aside for one moment. Recognize our troops and our Commander in Chief. They politicize the foreign policy of this country I believe more than it has ever been politicized. We always had the courage to come down here, and if we were wrong initially, we stood up and commended Reagan or Bush or whatever Republican President was here. Have the guts to do the same.

Mr. SPENCE. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my good friend and chairman for yielding this time to me, and I rise with a great deal of disappointment. I have the highest respect for my good friend from Missouri. I think he is a great American. I have acknowledged that publicly on a regular and consistent basis.

I would join with him in a heartbeat if this were a resolution honoring our troops, and the gentleman knows if that were the case, that resolution would pass this body 435 to zip with no dissenters. But if we took the resolution and if we want to honor the President, which is evidently what some on the other side want to do, then let us have that vote. Take out the troops and just honor the President for his role. I would say this to my colleagues: That would not pass this body. That resolution would not pass this body.

So what do we have here? We have a resolution where we are using the patriotic troops as the cover, as the cover to allow a Commander in Chief with a policy that is being questioned by Members on both sides of the aisle in this body to be able to have him say that we praised him for his actions.

If my colleagues want to have the vote on supporting the President's actions, then have the guts to have that vote separately. Have their up or down vote. Let us see how and whether Congress comes out in terms of whether or not they agree that this President did a good job. Let us have that debate. Let us talk about the fact that our relations with Russia and China have never been worse in this decade. Let us talk about the fact that we are driving the Duma election this December into the hands of the ultra nationalists because of our deliberate policy of not involving the Russians for the first 3 weeks, and if a Member challenges me, I will show them a confidential internal State Department memorandum that outlines that because I have it.

This debate is not about honoring our troops, and it is unfortunate because those on the other side know they boxed the Members on this side, Members who want to display their patriotism and their thanks for America's sons and daughters for the job they did. But as the President did when he used the military and paraded them down the White House lawn for that photo op, as the President did when he stood on the deck of an aircraft carrier and talked about his commitment for our military while cutting the budget to an unprecedented level, we are again going to give this President cover.

We are going to let him hide behind the skirts of the women who served in the military in combat and did the service for this because we are going to let him hide behind the uniforms of our military personnel to get a victory based on the military so he can tell the fact that Congress is supportive of what he did.

I have never been more sick in the 13 years that I have been here that we would have to have a vote where we use our military to give cover to a policy that should be openly debated, and if Members want to debate support for the President's policy, I would say to my colleague make that the motion to instruct conferees, make it be on the administration and the policy, but do not use the troops as political pawns. All of us praise our troops, but Democrats and Republicans alike express grave concerns about what we have done here.

We caused the worst humanitarian crisis in the history of Europe in helping to push a million people out into the hinterlands, and now we are not going to have a chance to say that. All we are going to do is say because it has a paragraph that praises the President, all of us then must be behind what he did.

What a crock of my colleagues know what.

This is a very sad day in the history of this body.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, this is a very dysfunctional Chamber. Blind partisan hatred infuses, it seems like all issues, even something as we look back at a successful completion of a military conflict, an end of a series of atrocities against a people too horrible to fully contemplate.

The preceding speaker is 100 percent incorrect in suggesting that this conflict created the humanitarian catastrophe unleashed by Slobodan Milosevic. The American people know what happened. The military action under the leadership of the President ended this humanitarian crisis and stopped the slaughter of a people. We ought to be proud as Americans for the role played by our military, the role played by our troops, the role played by our leaders, including President Clinton, and it might be tough in light of this partisan period that we are in to say so, but nothing less is deserved.

The President provided leadership when leadership was needed, and the military conflict has been successfully concluded.

Mr. SPENCE. Mr. Speaker, I yield 2 additional minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, where do we have to go from here? First of all, NATO nations have got to upgrade their own military so that we do not have to fly 85 percent of all the sorties and drop 90 percent of the bombs in the future. We cannot afford it, to take the lead in all of these. Tudjman's ethnic cleansing is 750,000 out of Croatia, is a war criminal, should be attacked. Izetbegovic according to the Mujahedeem and Hamas should be a war criminal right along with Milosevic.

A supplemental check, our next supplemental, should be a check from NATO paying for our fair share. We are supposed to pay for 15 percent, not an 80 percent of a war that happened. When we talk about 300,000 Albanians and Yugoslavs that live peacefully, how about the 200,000 Serbs that are now evacuated. My colleagues do not think that those men, women, and children are innocent victims, that we have a great victory on our hands and we ought to take care and have as much compassion for them as well.

Efforts to repay and the relationship with Russia has got to be a priority. Now Russia, in my opinion, is our enemy, but we have made great gains with Russia, and unless we continue in that direction, then all is lost. I think we need to take a look at the Progressive Caucus in this House listed under the web page: Democrats Socialists for America, and their last of their 12 point agenda is to cut defense by 50 percent should remove that from their agenda because it does disservice to our men and women in military and disservice to the national security of this country.

We need to take a look at how we are going to conduct ourselves in these wars, and when the gentlemen say this is partisan; no, there is a disagreement on what victory is and that we should not have been there in the first place. Not partisan, but a fact that we should not have been there in the first place

and expend the resources of this country when there was only 2,000 people killed and we killed over 7,500.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, I rise in support of the motion to instruct conferees. This is not a vote of a popularity contest with respect to the President. This is a vote to recognize the achievement of goals.

We had several debates on the floor of this House. We had disagreement as to those goals. But ultimately we as a country, acted in furtherance of goals, and we achieved those. Why did we achieve those goals? Because we had our best men and women in the country here in the field giving their very best efforts, and by the grace of God we prevailed.

Were mistakes made? Of course there were. Were lessons learned? Absolutely. An important part of our job is to think about what lessons were learned. But we did achieve those goals, and I do not think anybody can stand here today and say that everybody did not give it their best effort.

So let us come together as a country through this Congress. Let us recognize that we achieved those goals. Let us be thankful we succeeded. Let us learn our lessons from Kosovo and let us put this behind us and recognize our troops and everybody who played a part in the mission.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I read the resolution. It starts out commending the troops, and of course that is the most important thing that we can do. I think we should all be involved in that. It then goes on to commend Secretary Albright and the President of the United States in this operation.

Mr. Speaker, I voted for the air war. I voted to support the operation even though it was a retroactive vote that was placed before us. But I am not going to vote to support the President's leadership, and I am not going to vote, make that vote, for partisan reasons. I am going to vote because of the President's leadership and because of his treatment of the military.

Now let us review the facts:

Today we have shorted our military people $13 billion worth of ammunition. That is all the way from cruise missiles to M16 bullets. That means, if we have to go to war tomorrow because this administration has pulled money out of the cash register that was meant for bullets and used it for peacekeeping operations, we are going to have people die because they run out of bullets.

Today we are 13½ percent below the civilian pay rate for our military. That means that we have 10,000 military families on food stamps. That is a direct result of the President's leadership or lack thereof. If my colleagues think the President has paid our men and women in the military adequately, then vote for this resolution. But I am not going to do that. Today our mission-capable rates have dropped like a rock for lack of spare parts, and that is because the President has not put enough money in the military budget for spares, for aircraft and the Army, the Navy, the Marine Corps and the Air Force. I am not going to commend the President for that.

So, Mr. Speaker, if the President wants to really do something that thanks our military families for their valiant effort in this war, I suggest that he pay them, increase their pay to the full 13 percent like President Reagan did when he came in and closed that 12.6 percent pay gap, and I recommend that he supply adequate ammunition so that they can fight wars without running out of ammunition, and I recommend that he comes forward with all the spares and the modernization that is required to keep 55 airplanes a year from falling out of the sky and crashing, resulting in 55 deaths in peacetime operations like we had last year.

□ 1545

This President has hollowed out the military. If he was a Republican, I would say exactly the same thing.

We have some fault, I think, Mr. Speaker, because we have allowed ourselves as a Congress to be finessed by this administration and not to come back with all the requirements our military really needs.

I recommended a $28 billion emergency supplemental because that is what the services said they needed, and yet when we even tried to get above $6 billion and finally got to $12 billion, the President resisted that mightily.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, when George Bush came to this Chamber after a successful campaign in destroying the designs which Saddam Hussein had on Kuwait, he came to this Chamber and we rose as one, not Democrat, not Republican, not liberal, not conservative. We stood to praise our Commander-in-chief.

We did not say, Mr. President, how could April Glasbie, your ambassador to Iraq, have told those people we would have no protest if you had designs on Kuwait? Which she did.

We could have said, Mr. President, how could you have not detected the gas centrifuge technology that he was using for nuclear weapons?

How could you have voted to condemn Israel in the U.N. for bombing the Osirak nuclear power plant?

How could you have not killed the Red Guard when you had a chance? How could you have not wiped out Saddam Hussein when you had a chance?

We did not do that. We praised George Bush, after a successful military campaign, as our Commander-in-Chief. The majority in this House should be ashamed. They continue this pathology of bitter hatred of the President at the expense of our country.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished chairman, the gentleman from South Carolina (Mr. SPENCE), for yielding me this time.

Mr. Speaker, I say to my colleague and friend, I agree with him. Let us have the question on whether or not we support this President.

Mr. MARKEY. No.

Mr. WELDON of Pennsylvania. That is what you just said.

Mr. MARKEY. No.

Mr. WELDON of Pennsylvania. You just said in your statement, and I will take your words down if you want to repeat them, that we voted on whether or not to support the policies of President Bush.

What I am saying and what my colleagues are saying, let us have that debate. Let us have a real amendment, not a phony amendment, where we have the President's policies hidden behind the skirts and the uniforms of the men and women in this military.

Mr. MARKEY. Will the gentleman yield?

Mr. WELDON of Pennsylvania. No, I will not yield.

Mr. MARKEY. You are over the line.

Mr. WELDON of Pennsylvania. Regular order, Mr. Speaker.

The gentleman knows full well, as all of our colleagues on the other side know, if there is a freestanding amendment on supporting the troops, it will pass 435 to 0. If there is a freestanding motion to recommit or motion to instruct that only supports the President, they could not get the votes. You could not get the votes.

Let us have that vote. Let us have the vote you want. Let us have the policy decision that you have asked for, but you will not give it to us.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong support of the motion to instruct the conferees, yes, to commend the President of the United States, our Commander-in-Chief, and our troops, for the success of the air war over Yugoslavia.

I say shame on those who do not want to honor our troops or to honor our Commander-in-Chief. If we may recall in this body, some of these are the same people, indeed, who refused to authorize the air strikes in Yugoslavia when our young men and women were, in fact, flying through enemy fire.

What is also interesting to note is over the last 2 weeks, the House Democratic leadership have urged a similar kind of an effort to have a bipartisan resolution in the same way that the other body did, and they have been turned down at every single turn, in order to do this in a bipartisan way.

If we are serious about what we are doing here today, we need in fact to say, thanks, and commend the Commander-in-Chief of this United States for his leadership and his efforts to honor the valor of the young men and women who fought so bravely so that in fact, yes, we can stand here today and talk to the people of the United States. That is what both of them did for us.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from South Carolina (Mr. SPENCE) has 3 minutes remaining, the gentleman from Missouri (Mr. SKELTON) has 1 minute remaining, and the gentleman from Missouri (Mr. SKELTON) has the right to close.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. KUYKENDALL), a Marine veteran and the father of an F–14 female pilot.

Mr. KUYKENDALL. Mr. Speaker, we in this country did not recognize the service of those that fought the war that I was part of. We did a terrific job recognizing the young men and women we sent to the Persian Gulf.

I will stand foursquare in front of anybody to praise the young men and women in this military force we have in the field today. They are asked to do more with less, more frequently, than any force we have had in our recent history that I am aware of.

I live that from my past experience. I live it from my current experience with a daughter that is involved in those kinds of conflicts.

I find it distasteful, in order to stand up, and want to praise the civilian leadership, which is actually their praise comes by being elected to those jobs and being approved by us to hold those positions as secretaries of defense or other elected leadership that are civilian. And I am happy to sign on any motion to praise everyone from General Shelton and General Clark, whether I agreed or disagreed with how they managed that war on down, because they put themselves in the position of putting young people in harm's way. The civilian leadership is not the one where that praise needs to be. It needs to be to the people who were doing the job, the people who were there and had their lives at risk and had their families torn apart because of those deployments.

I very much want to praise them, and I do every time I see some of them, and I will continue to do that because the times that I and my counterparts lived through in the 1960s and 1970s should never come back to this country again, because they do so willingly when they step forward to carry that banner for us.

I would not be in favor of this. I guess I cannot get myself to the inflamed pitch of some of my opponents or some of my colleagues, but the feeling is just as heartfelt. These young men and women are the finest we have, and they deserve our praise, and that is who we should be praising specifically and no one else in this.

Mr. SPENCE. Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. HUNTER).

The SPEAKER pro tempore. The gentleman from California (Mr. HUNTER) is recognized for 1 minute.

Mr. HUNTER. Mr. Speaker, I appreciate the gentleman from South Carolina (Mr. SPENCE) for yielding the balance of his time.

Mr. Speaker, let me just say to my colleagues, if this President will close the $13 billion ammunition shortage and supply adequate ammunition to our troops, I will personally join with the gentleman from Missouri (Mr. SKELTON) in offering any type of a resolution to thank the President for doing that and say that he is doing a good job.

If he will take the 10,000 service people off of food stamps and close that 13½ percent pay disparity between the civilian sector and the military sector, I will join with the gentleman from Missouri (Mr. SKELTON) in saying the President is doing a good job in leading the military.

The President right now is not doing a good job in leading the military. He is willing to do anything to thank them except pay them and arm them, and I am going to vote no on this resolution.

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

Mr. Speaker, there is an old saying that a rose by any other name is still a rose, and I say, Mr. Speaker, today that victory by any other name is still a victory.

We won this for a number of reasons; the troops. Representing the Fourth District of Missouri, I feel compelled to compliment the 509th Bomb Wing of the United States Air Force led by Brigadier General Leroy Barnidge, for the magnificent job that they did.

They, and many others, won by the air war; and also but for the Army and what they did, their presence, the Navy and what they did and its flying missions, all of them did a good job.

I think we are losing sight of what this instruction is. We all voted on this amendment. It passed the House unanimously. So I say let us vote on the instruction. The other arguments are side issues. A victory is a victory, Mr. Speaker.

Mr. BLAGOJEVICH. Mr. Speaker, I cannot vote against this resolution because I support our troops. Our Nation is forever indebted to our service men and women, and they deserve our praise for doing the job we sent them to do in Yugolsavia.

But there are other aspects to this resolution that I find troubling. I can't help but think that the agreement signed to end this conflict could have been signed before the conflict began, avoiding significant suffering and loss of life on all sides.

Having visited refugee camps in Albania and Macedonia, and having traveled to Yugoslavia during the N.A.T.O. bombing, I have seen first-hand the suffering of innocent people. Ethnic cleansing is evil, and we are right to oppose it. But I cannot in good conscience deny my belief that this conflict and the refugee crisis could have been avoided but for the failure of our diplomatic efforts and our lack of foresight in anticipting events.

Mr. Speaker, with all the suffering that has taken place, this is time for solemn reflection, not celebration.

Ms. DELAURO. Mr. Speaker, I rise in strong support of the motion to instruct conferees to commend the President and our troops for the success of the air war over Yugoslavia.

By passing this amendment, we reaffirm Congress' support for our men and women in the armed forces who carried out this vital mission, and for their efforts to bring justice to a devastated region and send an important message to Milosevic that his savage campaign of ethnic cleansing will not be tolerated.

27 Reservists from the 103rd Air Control Squadron in Orange—part of my District in Connecticut—volunteered to join our troops supporting the NATO effort in Kosovo. I am proud of the dedication and bravery of these men and women, and honored to have the opportunity to commend them for the sacrifice they made to protect our nation and the values it represents.

We must let our forces know of our prayers and our gratitude for their efforts to counter aggression, end the misery, and foster peace. Support the Motion to Instruct.

Mr. HAYES. Mr. Speaker, our airmen and soldiers deployed to Kosovo executed their mission, albeit unclear, with swiftness and precision. Thanks to them and the rigorous training they undertake daily, the crisis in Kosovo is over. For this I, my colleagues, the American people, and the ethnic Albanian of Kosovo are grateful, and as a member of the Armed Services Committee, I'm proud to take any opportunity to thank and honor them.

I cannot, however, support a motion that commends this Administration for its role in the Kosovo conflict. How can we praise the Administration for a mission that was never defined, an exit strategy that was never communicated, and a failure to consult the Congress of the United States? While I am glad that the violence in Kosovo has ceased, I remain critical of the means which brought about the end. And quite frankly, I believe the President should feel fortunate that we appear to have at least temporarily resolved the conflict.

Mr. Speaker, the Administration never presented the Congress and the American people with a clear outline of our goals in Kosovo. More importantly, never were we provided with the leadership that the people of our nation and of the entire free world have come to expect from the United States.

Fortunately, our fighting forces prevailed and proved, once again, that they are the finest in the world. But to suggest that they ended the conflict in Kosovo because they were given a blueprint for victory is simply wrong.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Missouri (Mr. SKELTON).

The question was taken, and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ENGEL. 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 SPEAKER pro tempore. Without objection, the Chair will reduce to 5 minutes the vote on closing the conference that will immediately follow the first vote on instructing conferees.

There was no objection.

The vote was taken by electronic device, and there were—yeas 261, nays 162, answered ''present'' 5, not voting 7, as follows:

[Roll No. 266]

YEAS—261

Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bilbray
Bishop
Bliley
Blumenauer
Boehlert
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Callahan
Calvert
Camp
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley
Forbes
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Greenwood
Gutierrez
Hall (OH)
Hastert
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Kolbe
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shaw
Shays
Sherman
Sherwood
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weiner
Weller
Wexler
Weygand
Wise
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—162

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Biggert
Bilirakis
Blunt
Boehner
Bonilla
Brady (TX)
Bryant
Burr
Burton
Buyer
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Crane
Cubin
Cunningham
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Duncan
Ehrlich
Everett
Ewing
Fletcher
Fowler
Gallegly
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hunter
Istook
Jackson (IL)
Jenkins
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kingston
Knollenberg
Kucinich
Kuykendall
Largent
Lazio
Lee
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McInnis
McIntosh
McKeon
McKinney
Metcalf
Myrick
Nethercutt
Ney
Norwood
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Radanovich
Reynolds
Riley
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (TX)
Souder
Stark
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thune
Tiahrt
Toomey
Vitter
Walden
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Whitfield
Wicker
Wilson
Young (AK)

ANSWERED ''PRESENT''—5

Bateman
Bereuter
Blagojevich
Rivers
Rogan

NOT VOTING—7

Brown (CA)
Cox
Fossella
Gibbons
Green (TX)
Lipinski
Smith (NJ)

□ 1616

Mr. McINTOSH and Mr. WATTS of Oklahoma changed their vote from ''yea'' to ''nay.''

Mr. McCOLLUM changed his vote from ''nay'' to ''yea.''

Mr. ROGAN changed his vote from ''yea'' to ''present.''

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will appoint conferees after the next motion.

MOTION TO CLOSE CONFERENCE COMMITTEE MEETING ON S. 1059, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000, WHEN CLASSIFIED NATIONAL SECURITY INFORMATION IS UNDER CONSIDERATION

Mr. SPENCE. Mr. Speaker, pursuant to clause 12(a)(2) of House rule XXII, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. SPENCE of South Carolina moves that the conference committee meetings on the bill (S. 1059) be closed to the public at such times as classified national security information is under consideration, provided, however, that any sitting Member of Congress shall have the right to attend any closed or open meeting.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina (Mr. SPENCE).

Pursuant to clause 12(a)(2) of rule XXII, this vote must be taken by the yeas and nays.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 413, nays 9, not voting 12, as follows:

[Roll No. 267]

YEAS—413

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton

Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—9

Blumenauer
DeFazio
Kucinich
Lee
McKinney
Oberstar
Owens
Stark
Watt (NC)

NOT VOTING—12

Abercrombie
Brown (CA)
Emerson
Fossella
Franks (NJ)
Gibbons
Green (TX)
Larson
Lipinski
Salmon
Smith (MI)
Souder

□ 1626

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. LARSON. Mr. Speaker, on rollcall No. 267, a motion to close portions of D.O.D. authorization conference, I was out of the Chamber on legislative business. Had I been present, I would have voted "Yea."

(Mr. ARMEY asked and was given permission to speak out of order for 1 minute.)

LEGISLATIVE PROGRAM

Mr. ARMEY. Mr. Speaker, I am pleased to announce to my colleagues that, pending completion of today's legislative business, we will be adjourning for the Independence Day District Work period. Members will be happy to know that the House will, therefore, not be in session tomorrow. Please be advised that we expect votes to run late into the evening. By completing our work tonight, Members will be able to return home a day sooner than expected.

Mr. Speaker, I would furthermore like to notify Members that we will be returning on Monday, July 12 at 12:30 p.m. for morning hour debates. We will begin legislative business at 2 p.m., with no votes expected until 6 p.m. There will be an official Whip notice distributed to Members' offices next week outlining the legislative agenda.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Armed Services, for consideration of the Senate bill and the House amendment, and modifications committed to conference: Messrs. SPENCE, STUMP, HUNTER, BATEMAN, HANSEN, WELDON of Pennsylvania, HEFLEY, SAXTON, BUYER, Mrs. FOWLER, Messrs. MCHUGH, TALENT, EVERETT, BARTLETT of Maryland, MCKEON, WATTS of Oklahoma, THORNBERRY, HOSTETTLER, CHAMBLISS, HILLEARY, SKELTON, SISISKY, SPRATT, ORTIZ, PICKETT, EVANS, TAYLOR of Mississippi, ABERCROMBIE, MEEHAN, UNDERWOOD, REYES, TURNER, Ms. SANCHEZ, Mrs. TAUSCHER, Mr. ANDREWS and Mr. LARSON;

From the Permanent Select Committee on Intelligence, for consideration of the matters within the jurisdiction of that committee under clause 11 of rule X: Messrs. GOSS, LEWIS of California, and DIXON;

From the Committee on Banking and Financial Services, for consideration of section 1059 of the Senate bill and section 1409 of the House bill, and modifications committed to conference: Messrs. MCCOLLUM, BACHUS, and LAFALCE;

From the Committee on Commerce, for consideration of sections 326, 601, 602, 1049, 1050, 3151–53, 3155–65, 3173, 3175, 3176–78 of the Senate bill, and sections 601, 602, 653, 3161, 3162, 3165, 3167, 3184, 3186, 3188, 3189, and 3191 of the House amendment, and modifications committed to conference: Messrs. BLILEY, BARTON of Texas, and DINGELL;

Provided that Mr. BILIRAKIS is appointed in lieu of Mr. BARTON of Texas for consideration of sections 326, 601, and 602 of the Senate bill, and sections 601, 602, and 653 of the House amendment, and modifications committed to conference.

Provided that Mr. TAUZIN appointed in lieu of Mr. BARTON of Texas for consideration of sections 1049 and 1050 of the Senate bill, and modifications committed to conference.

From the Committee on Education and the Workforce, for consideration of sections 579 and 698 of the Senate bill, and sections 341, 343, 549, 567, and 673 of the House amendment, and modifications committed to conference: Messrs. GOODLING, DEAL of Georgia, and Mrs. MINK of Hawaii.

□ 1630

From the Committee on Government Reform, for consideration of sections 538, 652, 654, 805–810, 1004, 1052–54, 1080, 1101–1107, 2831, 2862, 3160, 3161, 3163, and 3173 of the Senate bill, and sections 522, 524, 525, 661–64, 672, 802, 1101–05, 2802, and 3162 of the House amendment, and modifications committed to conference: Messrs. BURTON of Indiana, SCARBOROUGH and CUMMINGS;

Provided that Mr. HORN is appointed in lieu of Mr. SCARBOROUGH for consideration of sections 538, 805–810, 1052–1054, 1080, 2831, 2862, 3160, and 3161 of the Senate bill and sections 802 and 2802 of the House amendment.

From the Committee on International Relations, for consideration of sections 1013, 1043, 1044, 1046, 1066, 1071, 1072, and 1083 of the Senate bill, and sections 1202, 1206, 1301–1307, and 1404, 1407, 1408, 1411, and 1413 of the House

amendment, and modifications committed to conference: Messrs. GILMAN, BEREUTER, and GEJDENSON.

From the Committee on the Judiciary, for consideration of sections 3156 and 3163 of the Senate bill and sections 3166 and 3194 of the House amendment, and modifications committed to conference: Messrs. HYDE, MCCOLLUM and CONYERS.

From the Committee on Resources, for consideration of sections 601, 602, 695, 2833, and 2861 of the Senate bill, and sections 365, 601, 602, 653, 654, and 2863 of the House amendment, and modifications committed to conference: Messrs. YOUNG of Alaska, TAUZIN and GEORGE MILLER of California.

From the Committee on Science, for consideration of sections 1049, 3151–53, and 3155–65 of the Senate bill, and sections 3167, 3170, 3184, 3188–90, and 3191 of the House amendment, and modifications committed to conference: Messrs. SENSENBRENNER, CALVERT and COSTELLO.

From the Committee on Transportation and Infrastructure, for consideration of sections 601, 602, 1060, 1079, and 1080 of the Senate bill, and sections 361, 601, 602, and 3404 of the House amendment, and modifications committed to conference: Messrs. SHUSTER, GILCHREST and DEFAZIO.

From the Committee on Veterans' Affairs, for consideration of sections 671–75, 681, 682, 696, 697, 1062, and 1066 of the Senate bill, and modifications committed to conference: Messrs. BILIRAKIS, QUINN and FILNER.

There was no objection.

ANNOUNCEMENT BY CHAIRMAN OF COMMITTEE ON RULES REGARDING AMENDMENT PROCESS FOR H.R. 434, AFRICA GROWTH AND OPPORTUNITY ACT; AND H.R. 1211, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2000 AND 2001

Mr. DREIER. Mr. Speaker, the Committee on Rules is expected to meet the week of July 12 to grant a rule which may limit amendments for consideration of H.R. 434, the Africa Growth and Opportunity Act. The Committee on Rules is also expected to meet the week of July 12 to grant a rule which may limit amendments for consideration of H.R. 1211, the Foreign Relations Authorization Act, Fiscal Years 2000 and 2001.

Any Member contemplating an amendment to H.R. 434 should submit 55 copies of the amendment and a brief explanation of the amendment to the Committee on Rules no later than noon, Tuesday, July 13. Amendments should be drafted to the text of the bill as reported by the Committee on Ways and Means on June 17.

Any Member contemplating an amendment to H.R. 1211 should also submit 55 copies of the amendment and a brief explanation of the amendment to us up in the Committee on Rules no later than 4 p.m. on Tuesday, July 13.

For those who are not aware of it, the Committee on Rules is located in room H–312 in the Capitol. That is right upstairs.

Amendments should be drafted to the text of H.R. 2415, the American Embassy Security Act of 1999, as introduced by the gentleman from New Jersey (Mr. SMITH) and the gentlewoman from Georgia (Ms. MCKINNEY) on July 1, 1999.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL FRIDAY, JULY 9, 1999, TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR DEPARTMENT OF INTERIOR AND RELATED AGENCIES FOR FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until Friday, July 9, 1999, to file a privileged report on a bill making appropriations for the Department of Interior and related agencies for the fiscal year 2000, and for other purposes.

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

There was no objection.

The SPEAKER pro tempore. All points of order are reserved on the bill.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL FRIDAY, JULY 9, 1999, TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION, FAMILY HOUSING, AND BASE REALIGNMENT AND CLOSURE FOR THE DEPARTMENT OF DEFENSE FOR FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until Friday, July 9, 1999 to file a privileged report on a bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year 2000, and for other purposes.

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

There was no objection.

The SPEAKER pro tempore. All points of order are reserved on the bill.

APPOINTMENT OF CONFEREES ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1905) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina? The Chair hears none and, without objection, appoints the following conferees: Messrs. TAYLOR of North Carolina, WAMP, LEWIS of California, Ms. GRANGER, and Messrs. PETERSON of Pennsylvania, YOUNG of Florida, PASTOR, MURTHA, HOYER and OBEY.

There was no objection.

FINANCIAL SERVICES ACT OF 1999

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 235 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10.

□ 1638

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes, with Mrs. EMERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. LAFALCE), the gentleman from Virginia (Mr. BLILEY), and the gentleman from Michigan (Mr. DINGELL) each will control 22½ minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I realize that feelings are imperfect with relation to the rule debate. For all the frustration on the minority side, it is more than matched by this Member whose advice was disregarded by the Rules Committee on key amendments. Nonetheless the big picture is that this is a good bill, good for individual citizens and the economy at large. I ask all my colleagues to vote on the quality of the end product, not the process of consideration which I acknowledge has been imperfect.

In this regard, let me stress that the big picture is that financial modernization legislation will save the public approximately $15 billion a year. It will provide increased services to individuals and firms, particularly those in less comprehensively served parts of the country. It will also allow U.S. financial companies to compete more fully abroad.

The economy on a global basis is changing and we must be prepared to lead market developments, rather than lose market share. In this effort, the fundamental precept of the bill is to end the arbitrary constraints on commerce implicit in the 65-year-old Glass-Steagall law. Competition is the American way and enhanced competition is the underlying precept of this bill.

In this regard, I'd like to address the issues of bigness and of privacy. With regard to conglomeration which is proceeding at a pace with which I am deeply uncomfortable, it should be understood that the big are getting bigger from the top down, utilizing regulatory fiat. What this bill does is provide a modern regulation framework for change. It empowers all equally. Smaller institutions will be provided the same competitive tools that currently are only available to a few. Indeed, in a David and Goliath world, H.R. 10 is the community bankers and independent insurance agents' slingshot.

Finally, with regard to privacy, let me stress no financial services bill in modern history has gone to this floor with stronger privacy provisions. Importantly, pretext calling—the idea that someone can call a financial institution and obtain your financial information—is now effectively outlawed; medical records are protected; and individuals are given powerful new rights to prevent financial institutions from transferring or selling information to third parties.

Here, let me stress, if Congress subsequently passes more comprehensive medical records provisions, they will be allowed to bolster or supercede these safeguards and if HHS promulgates regulations in this area they would augment the provisions of this bill. Nothing in this act is intended to shackle Executive Branch actions in this area.

In conclusion, I would like to thank my Democratic colleagues on the Banking Committee and, in particular, JOHN LAFALCE and BRUCE VENTO, and JOHN DINGELL of the Commerce Committee, whose support I have been appreciative in the past and whose dissent I respect today; also my friends TOM BLILEY, MIKE OXLEY, DAVID DREIER, JOHN BOEHNER and so many others, like MARGE ROUKEMA, RICHARD BAKER, SUE KELLY, PAT TOOMEY and RICK LAZIO, whose leadership has been so important to bringing this bill to the floor.

The legislation before the House is historic win-win-win legislation, updating America's financial services system for the 21st Century.

It's a win for consumers who will benefit from more convenient and less expensive financial services, from major consumer protection provisions and from the strongest financial and medical privacy protections ever considered by the Congress.

It's a win for the American economy by modernizing the financial services industry and savings an estimated $15 billion in unnecessary costs.

And, it's a win for America's international competition position by allowing U.S. companies to compete more effectively for business around the world and create more financial services jobs for Americans.

It would be an understatement to say that this has not been an easy, nor a quickly-produced piece of legislation to bring before the House.

For many of the 66 years since the Congress enacted the Glass-Steagall Act in 1933 to separate commercial banking from investment banking, there have been proposals to repeal the act. The Senate has thrice passed repeal legislation and last year the House approved the 105th Congress version of H.R. 10.

But, this year it appears that we may be closer than ever before to final passage. The bill before us today is the result of months and months of tough negotiation and compromise; among different congressional committees, different political parties, different industrial groupings and different regulators. No single individual or group got all—or even most—of what it wanted. Equity and the public interest have prevailed.

It should be remembered that while the work of Congress inevitably involves adjudicating regulatory turf battles or refereeing industrial groups fighting for their piece of the pie, the principal work of Congress is the work of the people—to ensure that citizens have access to the widest range of products at the lowest possible price; that taxpayers are not put at risk; that large institutions are able to compete against their larger international rivals; and that small institutions can compete effectively against big ones.

We address this legislation in the shadow of major, ongoing changes in the financial services sector, largely the result of decisions by the courts and regulators, who have stepped forward in place of Congress. Many of us have concern about certain trends in finance. Whether one likes or dislikes what is happening in the marketplace, the key is to ensure that there is fair competition among industry groups and protection for consumers. In this regard, this bill provides for functional regulation with state and federal bank regulators overseeing banking activities, state and federal securities regulators governing securities activities and the state insurance commissioners looking over the operations of insurance companies and sales.

The text of the insurance language contained in the bill generally reflects the versions reported out of both the House Banking Committee and the full Senate, with certain limited modifications suggested by the House Commerce Committee. One such modification inserts additional parenthetical language in Section 303 dealing with the functional regulation of insurance activities. The addition of this parenthetical language is not intended to have any effect on the broad protections against state discrimination set forth in section 104 of this bill, the application of the preemption standards set forth in the 1996 Barnett Supreme Court case, or the rule-writing and implementation authority of federal regulators under Federal law.

The benefits to consumers in this bill cannot be stressed more. First, they will gain in improved convenience. This bill allows for one-stop shopping for financial services with banking, insurance and securities activities being available under one roof.

Second, consumers will benefit from increased competition and the price advantages that competition produces.

Third, there are increased protections on insurance and securities sales, a required disclosure on ATM machines and screens of bank fees and a requirement that the Federal Reserve Board hold public hearings on large financial services merger proposals.

Fourth, the Federal Home Loan Bank reform provisions expand the availability of credit to farmers and small businesses and for rural and low-income community economic development projects.

Fifth, the bill also contains major consumer privacy protections making so-called pretext calling, in which a person uses fraudulent means to obtain private financial information of another person, a federal crime punishable by up to five years in jail and a fine of up to $250,000; would wall off the medical records held by insurance companies from transfer to any other party; and requires banks to disclose their privacy policies to customers.

A bipartisan amendment developed by members of the Banking, Commerce and Rules Committee will further enhance these protections and I urge its adoption.

In closing, I'd like to emphasize again the philosophic underpinnings of this legislation. Americans have long held concerns about bigness in the economy. As we have seen in other countries, concentration of economic power does not automatically lead to increased competition, innovation or customer service.

But the solution to the problem of concentration of economic power is to empower our smaller financial institutions to compete against large institutions, combining the new powers granted in this legislation with their personal service and local knowledge in order to maintain and increase their market share.

For many communities, retaining their local, independent bank depends upon granting that bank the power to compete against mega-giants which are being formed under the current regulatory and legal framework.

H.R. 10 provides community banks with the tools to compete, not only against large mega-banks but also against new technologies such as Internet banking. Banks which stick with offering the same old accounts and services in the same old ways will find their viability threatened. Those that innovate and adapt under the provisions of this bill will be extraordinarily well positioned to grow and serve their customer base.

Large financial institutions can already offer a variety of services. But community banks

are usually not large enough to utilize legal loopholes like Section 20 affiliates or the creation of a unitary thrift holding company to which large financial institutions—commercial as well as financial—have turned.

By bolstering the viability of community-based institutions and providing greater flexibility to them, H.R. 10 increases the percentage of dollars retained in local communities. Community institutions are further protected by a small, but important provision that prohibits banks from setting up ''deposit production offices'' which gather up deposits in communities without lending out money to people in the community.

Additionally, the bill before us strengthens the Community Reinvestment Act by making compliance with the act a condition for a bank to affiliate with a securities firm or securities company. CRA is also expanded to a newly created entity called Wholesale Financial Institutions.

One of the most controversial provisions in H.R. 10 is the provision in Title IV which prohibits commercial entities from establishing thrifts in the future. Under current law, commercial entities are already prohibited from buying or owning commercial banks. This restriction between commercial banking and commerce is not only maintained in H.R. 10 but extended to restrict future commercial affiliations with savings associations.

The reason this restriction on commerce and banking is being expanded is several fold. First, savings associations that once were exclusively devoted to providing housing loans, have become more like banks, devoting more of their assets to consumer and commercial loans. Hence the appropriateness for comparability between the commercial bank and thrift charter is self-evident.

Second, this provision must be viewed with the history of past legislative efforts affecting the banking and thrift industries. The S&L industry has tapped the U.S. Treasury for $140 billion to clean up the 1980s S&L crisis. In 1996, savings associations received a multibillion dollar tax break to facilitate their conversion to a bank charter. Also, in 1996, the S&Ls tapped the banking industry for $6 to $7 billion to help pay over the next 30 years for their FICO obligations, that part of the S&L bailout costs that remained with the thrift industry.

During this time period, Congress has liberalized the qualified thrift lending test and the restrictions on the Federal savings association charter. These legislative changes are in addition to the numerous advantages that the industry has historically enjoyed, such as the broad preemption rights over state laws and more liberal branching laws.

H.R. 10 continues the Congressional grant of benefits to the thrift industry by repealing the SAIF special reserve, providing voluntary membership by Federal savings associations in the Federal Home Loan Bank System, allowing state thrifts to keep the term ''Federal'' in their names, and allowing mutual S&L holding companies to engage in the same activities as stock S&L holding companies.

Opponents of this provision correctly argue that commercial companies that have acquired thrifts (so-called unitary thrift holding companies) before and after the S&L debacles of the 1980s have not, for the most part, caused taxpayer losses. However, the Federal deposit insurance fund that was bailed out by the taxpayers applied to the entire thrift industry including the unitary thrift holding companies. Three years ago some $6 billion to $7 billion in thrift industry liabilities left over from cleaning up the S&Ls were transferred to the commercial banking industry with the understanding that sharing liabilities would be matched by ending special provisions. This is another reason to provide comparable regulation.

It is with this history and the assumption that decisions in this bill are made in the context of a legislative continuum that the provision in the bill was added to not only restrict the establishment of new unitary thrift holding companies, but also to require that commercial entities may not buy a thrift from an existing grandfathered company without first getting Federal Reserve Board approval.

As we all know, there are complex issues involved in this legislation, and there will be differing judgments by Members. One thing we all may agree upon, however, is that Congress needs to reassert its Constitutional role in determining what should be the laws governing financial services, instead of allowing the regulators and courts to usurp this responsibility.

If Congress turns its back on financial services modernization, we should not fool ourselves that rapid evolution in the fields of banking, securities and insurance will cease. It will not. Financial services modernization will take place with or without Congressional approval. Without this legislation, however, changes in financial services will continue unabated, but they will take place in an ad hoc manner through the courts and through regulatory fiat, and will not be subject to the safeguards and prudential parameters established in this legislation.

Now is the time for Congress, to step up to the challenge of modernizing our nation's financial services sector for the 21st century, to ensure that it remains competitive internationally, that it is stable and poses the least possible threat to the taxpayer, and that it provides quality service to all our citizens and communities.

Madam Chairman, I reserve the balance of my time.

Mr. LAFALCE. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, first, I want to thank the Chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH), for working collegially with so many of us on the Democratic side of the aisle in order to produce a bipartisan bill out of the Committee on Banking and Financial Services that could be signed by the President and enacted into law. Each side had to give and take, each side had to make tremendous amount of concessions, but we did in order to advance the public interest and financial services modernization.

□ 1645

We produced a bill with a 51–8 vote, 21–6 on the Democratic side of the aisle. The Democrats voted for it, however, in large part because we were able to retain the strongest community reinvestment provisions, because we were able to have strong consumer protection before and beyond that, most especially provisions regarding redlining in the insurance industry. Once that eroded, so too did a lot of the Democratic support. And that is unfortunate. It is unfortunate.

There are other provisions that we are concerned about, too, and that is the medical privacy language of the gentleman from Iowa (Mr. GANSKE). I am hopeful that if this bill passes those concerns that we have can be dealt with in conference, and I look forward to a colloquy with the gentleman from Iowa (Mr. GANSKE) regarding his disposition on that.

There are some amendments that have been offered that I do not think should have been allowed that would create severe difficulties for me, in particular, the amendment of the gentleman from Texas (Mr. PAUL) which would eviscerate the ability of law enforcement agencies to enforce our anti-money-laundering statutes. The FBI is adamantly opposed to that.

I also am adamantly opposed to the Bliley amendment that would be a rip-off for the officers of mutual insurance companies at the expense of policyholders. It would be a Federal intrusion on State law. It would say to insurance officers, disregard your policyholders if they want to convert. They are entitled to all the money, not their policyholders. We must defeat the Bliley amendment if this bill is to advance the way I would like it to advance.

I am hopeful that, at the conclusion of debate and at the conclusion of the amendment process, we could advance to conference and then deal with whatever problems are left in conference. But that remains to be seen.

Mr. LAFALCE. Madam Chairman, I reserve the balance of my time.

Mr. BLILEY. Madam Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. OXLEY), chairman of the Subcommittee on Finance and Hazardous Material, the coach of our successful baseball team.

Mr. OXLEY. Madam Chairman, I rise in support of H.R. 10, the Financial Services Act of 1999.

This is indeed an historic occasion, something that many of us have worked on for a number of years. As a matter of fact, this is by my count the 10th time in the last 20 years that we have sought to bring our financial laws into the modern world as we enter the 21st century. So here is hoping that number 11 is the charm.

Building on the progress we made last year through the help of many people that I see here on the floor, including our good friend, the gentleman from Ohio (Mr. BOEHNER), the gentleman from Virginia (Chairman BLILEY), the gentleman from Iowa (Chairman LEACH), the gentleman from

Michigan (Mr. DINGELL), the gentleman from New York (Mr. TOWNS) and others, that we passed this bill by one vote in the House.

I suspect this year it will be far different and it will be a large vote, because the time has come for financial services modernization in this Congress and indeed in this country.

We have arrived at a point where just about everybody, including those on the opposite side of specific issues on the op-sub issue, for example, agree that the country's financial regulations crafted during the Depression years of the 1930s need to be brought up to date.

The Glass-Steagall Act has outlived its useful purpose. It now serves only as the cause of inefficiency in the markets as our markets change dramatically.

Madam Chairman, we have had a series of hearings, for example, in my committee about what is going on with the securities industry and how on-line brokerage has now become the most growing part of the securities industry. That shows how things have changed in technology and in markets and in consumer preference. And yet we continue to rely on a 1930 statute known as Glass-Steagall that simply has outlived its usefulness.

That means legislation that will provide for fair competition among all players. And it also means not only modernizing the marketplace and treating the consumer as the one who makes those kinds of decisions in the marketplace to provide that consumer with a new array of services and products, some products we probably have not even thought of or that financial service institutions have not even thought of yet today will be offered more and more to the consuming public and they are going to be able to one-stop shop as they go into this financial institution.

And ultimately it will not make any difference what it says on the door because they are going to be able to buy a wide variety of products in that area. And, yes, those functions will be regulated by the regulators who know what that is all about. It is called functional regulation. Or as chairman of the SEC Arthur Levitt says, commonsense regulation in our marketplace is to protect the consumer but not to constrict the marketplace so that people do not have the ability to make decisions based on what is in their long-term economic interest. It means legislation that will promote, not jeopardize, the long-term stability of U.S. financial markets and the interests of American taxpayers.

Americans are becoming increasingly active participants in our booming securities markets and going on-line and investing, sometimes around the clock, for their families' future, investing for their education, for their children's education, investing for the future that we have tried to encourage.

One of the frustrations, I guess, in our country over the years has been that our savings rate has been far too low compared to some of our other competing nations. This will give people the ability to make long-term plans, to work with a financial institution that has the ability for them to buy their banking products, to get their securities, their 401(k), their savings, their insurance needs, all of those, under one roof dealing with professionals that they trust and that they know can provide them with the kind of economic security that they have come to expect.

The change already taking place in the marketplace may make it impossible for us to try Glass-Steagall reform a 12th time, and I would implore the Members to understand that this may be our last really good shot at bringing our laws up-to-date with what is happening in the marketplace and what is happening with technology, and all of those forces are now moving us so inextricably in that direction.

Because of the leadership of the gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services, because of the leadership of the gentleman from Virginia (Mr. BLILEY) chairman of the Committee on Commerce, because of participation on the other side of the aisle, it brings us here today.

Let us move forward. Let us support H.R. 10. Let us provide the kind of modern financial institutions that all of us have come to expect.

Mr. DINGELL. Madam Chairman, I yield myself 4 minutes.

Madam Chairman, this is a bad bill. We consider it under a bad rule.

George Santayana said something which I thought was very interesting. He said, ''He who does not learn from history is doomed to repeat it.''

It looks like this Congress is setting out to create exactly the same situation which caused the 1929 crash. It looks like this Congress is setting out to create the situation that caused the collapse of the banks in Japan and Thailand by setting up op-subs and by setting up monstrous conglomerates which will expose the American taxpayers and American investors to all manner of mischief and to the most assured economic calamity.

The bill is considered under a rule which does not afford either an opportunity to offer all the amendments or to have adequate debate thereof. But what does the bill do, among other things?

First all, it allows megamergers to create monstrous institutions which could engage in almost any sort of financial action. It sets up essentially, devices like the banks in Japan, which are in a state of collapse at this time, banks in Korea and Thailand, which are in a state of collapse, or banks in the United States, which could do anything and which did anything and contributed in a massive way to the economic collapse of this country in 1929 which was only cleared and cured by World War II.

Some of the special abuses of this particular legislation need to be noted. The Committee on Rules has stripped out an anti-redlining provision which had been in the law and which is valuable, and it is brazen and outrageous discrimination against women and minorities and it sanctifies such actions by insurance companies and others within the banks' financial holding companies which will be set up hereunder.

It attacks the privacy of American citizens. It allows unauthorized dissemination of their personal financial information and records. It guts the current protections for medical information now under State law. And it hampers the ability of the Secretary of Health and Human Services to adopt meaningful protections.

Every single health group in the United States and the AFL-CIO oppose this provision because it guts the rights of Americans to know that what they tell their doctor and what their doctor tells them is secure.

If we want to protect the security of our own financial records, we should tremble at this bill. It contains laughable financial privacy protections that tell a bank that it only has to disclose its privacy policy if it happens to have one. In other words, if they are going to give them the shaft, they should tell them. But they can do anything they want in terms of the financial information which they give them and which can be used to hurt them in their personal affairs.

The bill wipes out more than 1,700 essential State insurance laws across the country. It creates no Federal regulator to fill the void. So, as a result, their protections when they buy insurance are stripped away.

Alan Greenspan, the chairman of the Federal Reserve, is properly worried, and that should count for a lot. Let me read to my colleagues what he said to the Committee on Commerce this year.

''I and my colleagues are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank.'' And he goes on to state that he and his colleagues ''believe strongly that the operating subsidiary approach would damage competition in and the vitality of our financial services industry and poses serious risks for the American taxpayer.''

He noted that it creates a situation where banks and other financial activities will be made too big to fail and that the taxpayers then will be compelled to come in and bail them out.

So if my colleagues enjoyed the outrage of what the Committee on Banking and Financial Services did to us on the savings and loan reform, this, they should know, is a perfection of that. That cost us about $500 billion. This, my colleagues can be assured, will cost us a lot more.

I urge my colleagues to vote against this abominable legislation.

In case my colleagues have any questions about my views, I want to clearly state for the record that I rise to condemn this bill. It is a terrible piece of legislation and should cause Americans to quake at the prospect of its passing.

If you value your civil rights, you should worry about this bill. The Rules Committee stripped out an anti-redlining provision, offered by our colleague Ms. LEE and agreed to by the Banking Committee. This brazen act allows discrimination against women and minorities by insurance companies within the bill's financial holding companies.

If you have had cancer or diabetes or depression or any other medical condition that could affect your employment or lead to discrimination against you, you should fear this bill. It contains a medical privacy provision that actually sanctifies the unauthorized dissemination of your personal medical information records. It guts many current protections for medical information and hampers the ability of the Secretary of Health and Human Services to adopt meaningful protections. Legions of groups oppose this provision from the American Medical Association to the AFL–CIO.

If you want to protect the privacy of your own personal financial records, you should tremble at the prospect of this bill. The bill contains laughable financial privacy protections that tell a bank to disclose its privacy policy—if it has one. This bill deprives you of the right to say no.

If you own insurance, you should worry if you bought it from a bank. This bill wipes out more than 1,700 essential state insurance laws across the country, with no federal regulator to fill the void.

If you are a taxpayer, you should recoil in horror at this bill. No less an august person than Alan Greenspan is worried, and usually that counts for a lot. Let me read to you what he said before the Commerce Committee in April of this year:

> I and my colleagues are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank.

He reiterated these views to me on June 28 in a letter which I intend to put into the RECORD, but I want to read just one part:

> I and my colleagues on the Board believe strongly that the operating subsidiary approach would damage competition in and the vitality of our financial services industry and poses serious risks for the American taxpayer. We have no doubt that the holding company approach, adopted by the house last year, passed by the Senate this year, and supported by each previous Treasury and Administration for nearly 20 years, is the prudent and safest way to modernize our financial affiliation laws and does not sacrifice any of the benefits of financial reform.

This bill greatly expands the authority of political appointees and bureaucrats over banking and monetary policy. That worries Alan Greenspan. It should worry all Americans.

In the earlier debate on the rule, several of my Republican colleagues labeled our concerns as "partisan." So be it! If the Republicans want to accuse Democrats of caring about equal rights and protection from discrimination under the Constitution, I'll proudly stand with my Democratic colleagues. If the Republicans want to accuse Democrats of standing for full and fair protection of Americans' privacy rights, I'll proudly stand under that banner as well.

What I won't stand for is this abominable legislation. I support responsible financial modernization. I do not support this bill. It is a terrible piece of legislation and I urge the House to defeat it so we can go back to the drawing board and write a good bill.

In closing, I would like to address an important technical matter and explain the purpose of the Section 303 "Functional Regulation of Insurance" reference to Section 13 of the Federal Reserve Act. That reference is included to ensure that everyone that engages in the business of insurance—including national banks selling insurance as agents under the small-town sales provision commonly known as "Section 92"—are subject to state regulation of those activities.

Some have argued that this reference is not meant to overrule the Supreme Court's ruling in the Barnett Bank case. I want to make clear that that statement is correct to the extent that the Commerce Committee intended that all state functional regulation of the insurance activities of financial institutions would be subject to the preemption rules set forth in Section 104. Indeed, that is why there is a specific reference to Section 104 at the end of Section 303. And Section 104 incorporates the preemption standard articulated by the Supreme Court in the Barnett Bank case and even specifically cites that case.

The statement, however, is incorrect to the extent that it implies that the Comptroller of the Currency remains free to issue his own set of rules and regulations to govern small-town national bank insurance sales activities. Although—as the Barnett Bank opinion recognizes—Section 92 specifically authorizes the Comptroller to issue such regulations, Section 303 makes clear that States are now the paramount authority in the regulation of small-town national bank insurance sales activities. Under Section 303, all state regulations of insurance sales activities apply to small-town national bank insurance sales activities under Section 92 unless those regulations are prohibited under the Section 104 preemption standard.

ORGANIZATIONS OPPOSED TO THE MEDICAL RECORDS PROVISIONS IN H.R. 10

Physician Organizations

American Medical Association
American Psychiatric Association
American College of Surgeons
American College of Physicians/American Society of Internal Medicine
American Academy of Family Physicians
American Psychological Association

Nurses Organizations

American Nurses Association
American Association of Occupational Health Nurses

Patient Organizations

National Breast Cancer Coalition
Consortium for Citizens with Disabilities/Privacy Working Group
National Association of People with AIDS
AIDS Action
National Organization for Rare Disorders
National Mental Health Association
Myositis Association
Infectious Disease Society

Privacy/Civil Rights Organizations

Consumer Coalition for Health Privacy
American Civil Liberties Union
Center for Democracy and Technology
Bazwlon Center for Mental Health Law

Labor Organizations

AFL–CIO
American Federation of State, County and Municipal Employees
Service Employees International Union

Senior and Family Organizations

American Association of Retired Persons
National Senior Citizens Law Center
Planned Parenthood Federation of America, Inc.
National Partnership for Women and Families
American Family Foundation

Other Organizations

American Association for Psychosocial Rehabilitation
American Counseling Association
American Lung Association
American Occupational Therapy Association
American Osteopathic Association
American Psychoanalytic Association
American Society of Cataract and Refractive Surgery
American Society of Clinical Psychopharmacology
American Society for Gastrointestinal Endoscopy
American Society of Plastic and Reconstructive Surgeons
American Thoracic Society
Anxiety Disorders Association of America
Association for the Advancement of Psychology
Association for Ambulatory Behavioral Health
Center for Women Policy Studies
Children & Adults with Attention-Deficit/Hyperactivity Disorder
Corporation for the Advancement of Psychiatry
Federation of Behavioral, Psychological and Cognitive Sciences
Intenational Association of Psychosocial Rehabilitation Services
Legal Action Center
National Association of Alcoholism And Drug Abuse Counselors
National Association of Developmental Disabilities Councils
National Association of Psychiatric Treatment Centers for Children
National Association of Social Workers
National Council for Community Behavioral Healthcare
National Depressive and Manic Depressive Association
National Foundation for Depressive Illness
Renal Physicians Association

ADDITIONAL VIEWS

During the consideration of H.R. 10, an amendment was offered to add a new section 351, entitled "Confidentiality of Health and Medical Information." While we support increased protection for medical information,

we opposed this provision, because, unfortunately, the provision weakens existing protections for medical confidentiality, and establishes a number of poor precedents for private medical information disclosure.

While the provision at first blush appears to place limits on the disclosure of medical information, the lengthy list of exceptions to these limits leaves the consumer with little, if any protection. In fact, the provisions ends up authorizing disclosure of information rather than limiting it.

In medicine, the first principle is ''Do no harm.'' In crafting a Federal medical privacy law, this principle requires that state laws providing a greater level of protection be left in place. Yet section 351 could preempt the laws of 21 states that have enacted medical privacy laws. While we agree that genetic information should also be protected—in fact, should deserve a higher level of protection—this provision could also preempt 36 state laws which protect the confidentiality of genetic information.

The provision also lacks any right for the individual to inspect and correct one's medical records. As a result, an individual has greater rights to inspect and correct credit information than medical records.

There is no requirement that the customer even be told that his medical information is being provided to a third party. Thus there is no way that the customer could prevent the records from being disseminated if the customer believed that statutory rights were being violated.

An individual has no right to seek redress if the rights under this provision are violated. In fact, the customer is unlikely to even know that the rights were violated. The only enforcement authority is given to the states. If the individual is unlikely to have knowledge of the transfer of confidential medical records, it is hard to understand how the state Attorney General would know to bring an action as provided in subsection (b) of the provision. Even if the state brings an action, it can only enjoin further disclosures. The customer has no right to seek damages.

The provision places absolutely no restrictions on the subsequent disclosure of medical records by anyone receiving the records. Once the records are out the door for any of the myriad exceptions in this provision, they are fair game for anyone.

We agree that information should be disclosed only with the consent of the customer, as provided in (a)(1), but this right is rendered meaningless with the extensive laundry list of exceptions that swallows this simple rule. We shall only discuss a few of these exceptions.

The provision allows financial institutions to provide medical records, including genetic information, for purposes of underwriting. As a result, customers could find themselves being uninsurable, or facing whopping rate increases for health insurance, based upon their genetic information, or health records. In addition, the information may be inaccurate, but the customer cannot correct it.

The provision allows financial institutions to provide medical records for ''research projects.'' This term is undefined, and could include marketing research, or nearly anything else. For example, a customer's prescription drug information could be provided to a drug company doing marketing research on candidates for a new related drug.

Moreover, the provision establishes no research protections for individually identifiable records. The majority of human subject research studies conducted in this country are subject to the Common Rule, a set of requirements for federally-funded research. Analogous requirements apply to clinical trials conducted pursuant to the FDA's product approval procedures. The Common Rule dictates that a study must be approved by an entity that specifically examines whether the potential benefits of the study outweigh the potential intrusion into an individual's private records and whether the study includes strong safeguards to protect the confidentiality of those records. Two weeks ago at a hearing before the Health and Environment Subcommittee, witnesses from the National Breast Cancer Coalition and the National Organization for Rare Disorders testified that these Federal standards should be extended to all research using individually-identifiable medical records. Extending these protections would strengthen confidence in the integrity of the research community and encourage more individuals to participate in studies. Because this provision establishes no protections for individually-identifiable records, it could actually stifle research.

The provision allows the disclosure of confidential medical records ''in connection with'' a laundry list of transactions, most of which have nothing to do with medical records. The provision does not define who can receive the records, but instead allows disclosure to anyone, so long as it is ''in connection with'' a transaction. There was no explanation at the markup why medical records should be disclosed in connection with ''the transfer of receivables, accounts, or interest therein.'' There is no definition of ''fraud protection'' or ''risk control'' for which the provision also authorizes disclosure. The provision gives carte blanche to financial institutions to disclose confidential medical records for ''account administration'' or for ''reporting, investigating, or preventing fraud.'' Reporting to whom? An investigation by whom?

While most laws protecting medical records provide for disclosure in compliance with criminal investigations, those laws provide safeguards to permit the individual the opportunity to raise legal issues. This provision does not. In fact, as is the case with all other disclosures in this provision, the consumer would not even be informed that the information has been disclosed. Thus, a customer's medical records could be disclosed to an opponent in a civil action without the customer even knowing it.

Within hours of passage of this provision, we began learning from patient groups and others who have fought to improve the privacy rights of individuals that this provision is seriously flawed. These concerns demonstrate why Congress needs to deal comprehensively with the issue of medical confidentiality, not in a slapdash amendment that has received no scrutiny. The Health and Environment Subcommittee of the Commerce Committee has already held a hearing on medical privacy, and a Senate committee has held multiple hearings on the subject. We look forward to enacting real medical information privacy provisions that will truly protect individuals. Unfortunately, this premature move by the Committee will actually set back the health and medical information privacy rights of all Americans.

John D. Dingell, Henry A. Waxman, Edward J. Markey, Rick Boucher, Edolphus Towns, Frank Pallone, Jr., Sherrod Brown, Bart Gordon, Peter Deutsch, Bobby L. Rush, Ron Klink, Bart Stupak, Tom Sawyer, Albert R. Wynn, Gene Green, Ted Strickland, Diana DeGette, Thomas M. Barrett, and Lois Capps.

THE VERSION OF HR 10 RELEASED BY THE HOUSE RULES COMMITTEE SWEEPS AWAY 1,781 ESSENTIAL STATE INSURANCE LAWS ACROSS THE COUNTRY

State governments are solely responsible for regulating the business of insurance in the United States.

The States regulate insurance in order to protect consumers and supervise the solvency and stability of insurers and agents.

The version of HR 10 released by the House Rules Committee on June 24, 1999 will likely preempt many State consumer protection and solvency laws needed to regulate the insurance activities of banks and their affiliates.

State	Number of State laws likely preempted by the House Rules Committee version of H.R. 10
Alabama	33
Alaska	30
Arizona	35
Arkansas	41
California	43
Colorado	35
Connecticut	36
Delaware	32
Florida	40
Georgia	38
Hawaii	28
Idaho	31
Illinois	41
Indiana	33
Iowa	39
Kansas	41
Kentucky	36
Louisiana	37
Maine	37
Maryland	36
Massachusetts	32
Michigan	33
Minnesota	36
Mississippi	32
Missouri	37
Montana	36
Nebraska	36
Nevada	36
New Hampshire	28
New Jersey	41
New Mexico	31
New York	37
North Carolina	46
North Dakota	34
Ohio	38
Oklahoma	31
Oregon	39
Pennsylvania	35
Rhode Island	35
South Carolina	34
South Dakota	37
Tennessee	37
Texas	42
Utah	34
Vermont	32
Virginia	36
Washington	36
West Virginia	34
Wisconsin	33
Wyoming	31
Total	1,781

Source: National Association of Insurance Commissioners

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, DC, June 28, 1999.

Hon. JOHN D. DINGELL,
Ranking Minority Member, Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. DINGELL: This is in response to your request for the Board's views on the operating subsidiary approach to financial modernization contained in H.R. 10. As I have testified, I, and my colleagues on the Board believe strongly that the operating subsidiary approach would damage competition in and the vitality of our financial services industry and poses serious risks for the American taxpayer. We have no doubt that the holding company approach, adopted by the House last year, passed by the Senate

this year, and supported by each previous Treasury and Administration for nearly 20 years, is the prudent and safest way to modernize our financial affiliation laws and does not sacrifice any of the benefits of financial reform.

The structure adopted by Congress for financial modernization will prove decisive to the shape of our financial system, the long term health of our economy, and the level of protection afforded the American taxpayer long into the next century. Thus, this decision on banking structure is a policy matter of national importance. Allowing national banks to engage through operating subsidiaries in merchant banking, securities underwriting, and other newly authorized financial activities is likely to have as profound an impact on our entire financial sector as the 1982 legislation regarding the thrift industry.

The problem with the operating subsidiary approach is that insured banks are supported by the U.S. Government and, consequently, are able to raise funds at a materially lower cost, which is equivalent to approximately half of the interest spread on an investment grade loan. This subsidized ability to raise lower cost funds provides banks and their operating subsidiaries a decisive advantage over independent securities, insurance and financial services firms. This advantage will inevitably reduce competition and innovation in and between these industries as it has in other countries that have adopted the universal banking approach. In addition, the experiences in Asia demonstrate that linking financial markets more tightly to the health of the banking system—as is inevitable under the operating subsidiary approach—makes the economy more vulnerable to crises that affect banks and makes the broader financial markets more dependent on the protection and advantages of the federal safety net.

The operating subsidiary approach also poses substantial risks to the safety and soundness of our banking system and to the American taxpayer. This derives from the fact that an operating subsidiary of a bank is consolidated with, and controlled by, the bank and the fate of the bank and its subsidiary are inextricably interdependent. The measures contained in H.R. 10 to address these risks are not adequate. These measures are based on creating a regulatory accounting system that is different from market accounting and on the hope that operating subsidiaries can be quickly divested before problems spread to the parent bank. We have learned from the thrift crisis of the 1980s that regulatory accounting can give a dangerously false sense of security that only masks real problems. In addition, experience with other subsidiaries of national banks illustrates that banks can lose far more than they invest in an operating subsidiary, that those losses can occur quickly and before regulators have an opportunity to act, and that banks feel forced to support their subsidiaries through capital injections and liberal interpretations of the law. Troubled operating subsidiaries are also very difficult to sell and can result in prolonged exposure and expense to the parent bank. In the heat of a crisis, the taxpayer cannot be confident that regulatory constraints will prove entirely effective.

In a world where mega-mergers are increasing the size of banks on a stand-alone basis, the operating subsidiary structure allows banks to increase their balance sheets in even more dramatic fashion. This, on its own, may not be a problem. However, the operating subsidiary structure focuses all losses from new activities—as well as the risks from the bank's direct activities—on the bank itself. Thus, the operating subsidiary structure leads to precisely the type of organization that inspires too-big-to-fail concerns.

Some argue that H.R. 10 does nothing more than preserve freedom of choice of management. However, this is not a matter of choice for private enterprise. Rational management will inevitably choose the operating subsidiary because it allows the maximum exploitation of the cheaper funding ability of the bank. Because this so-called ''choice'' involves the use of the sovereign credit of the United States, it is a decision that should rest exclusively with Congress.

It is also noteworthy that the holding company approach does not in any way diminish the powers or attractiveness of the national bank charter. The national bank charter has flourished in recent years even though national banks are not authorized today to conduct through operating subsidiaries the broad new powers permitted in H.R. 10. Nor does the holding company approach diminish the influence of the Treasury over bank policy. Treasury continues to play a significant and appropriate role through its oversight of all national banks and thrifts.

On the other hand, the operating subsidiary approach would damage the Federal Reserve's ability to address systemic concerns in our financial system. This will occur as the holding company structure atrophies because of the funding advantage the operating subsidiary derives from the federal safety net.

I and my colleagues are especially concerned because there is no reason to take the risks associated with the operating subsidiary approach. The holding company framework achieves all the public and consumer benefits contemplated by H.R. 10 without the dangers of the operating subsidiary approach.

The Board has been a strong supporter of financial modernization legislation for nearly 20 years. We are seriously concerned, however, about the destructive effects of the operating subsidiary approach for the long-term health of the national economy and the taxpayer.

Sincerely,

ALAN GREENSPAN.

Madam Chairman, I reserve the balance of my time.

Mr. LEACH. Madam Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA) the distinguished chairperson of the Subcommittee on Financial Institutions, whose work on this bill is the most important of any Member of this body, and I very very much appreciate her friendship and leadership.

Mrs. ROUKEMA. Madam Chairman, I thank the chairman for yielding me the time.

I certainly rise in support, strong support, of H.R. 10 and associate myself with the commentary of the chairman at the beginning of this discussion and completely disagree with the gentleman we just heard.

I have worked on this issue for a long time, and really it is very clear. We are going beyond the 1930 laws, Glass-Steagall, far out-of-date. Technology and market forces have broken down the barriers here, and over the years we have just been letting the regulators and the courts and creative industries deal with this.

It is now the time for us to catch up with the modern financial world both domestically and globally and do what the Constitution requires us to do and not abrogate our responsibility to the courts and other Federal regulators.

I am most intent on saying that, is it a perfect bill? No. Can it be after all these years of negotiation? Maybe not. Maybe. But, on the other hand, only not perfect because we cannot get all these industries to agree on every single thing. But we have compromises represented here that strongly protect the fundamental principles that we should have, and that is preserving the safety and soundness of the financial system.

They are protected here. The Federal deposit system and the rest of the Federal safety net. If we abandon this now, we are just saying it is just going to evolve as the regulators or the courts would like them to, without any statutory responsibility.

Do we provide for fair and equal competition? I believe we do in the real world of financial institutions.

□ 1700

I believe strongly that we have protected the consumers and enhanced their choices in this bill. The new holding company structure that is in this bill will be overseen by the Federal Reserve Board. H.R. 10 includes new consumer privacy. There will be an amendment on the floor that will increase the consumer privacy that is in this bill and close any of the loopholes that we can see.

I urge strong support for this bill.

Madam Chairman, I rise in strong support of H.R. 10, the Financial Services Act and associate myself with the commentary of our Chairman, Representative LEACH, and urge my Colleagues to support this landmark legislation.

As many of my colleagues know, I have long been and advocate for passing financial modernization legislation. Markets are changing every day. Technology and market forces have broken down the barriers between insurance, securities and banking. Mega-merger deals like Citicorp/Travelers, NationsBank/Bank of America, Bankers Trust/Deutsche Bank—are being contemplated or announced daily.

We need to replace the outdated Glass-Steagall Act of the 1930s. Glass-Steagall did its part in its day, but the financial world has changed and we must have a financial system that is able to compete in the modern world. Our current statutory framework has remained stuck in the '30s because of Congress's reluctance to act, hampering the ability of our financial institutions to compete. In the absence of congressional action, federal agencies, the courts and the industry have been forced to find loopholes and novel interpretations of the law to allow financial institutions to adapt to an ever-changing marketplace. Unfortunately, this

has resulted in piecemeal regulatory reform that may not be in the best interest of the U.S. financial services industry as a whole.

As elected representatives of Congress, it is our constitutional duty to make the important policy decisions that determine the structure and legal authority under which our financial institutions will operate. For Congress to not act today would be a serious abdication of our responsibility.

Throughout this process, I have based my support for this bill on some very fundamental principles:

It must:

(1) Preserve the safety and soundness of the financial system—including the federal deposit system and the rest of the federal safety net.

(2) Provide for fair and equal competition; and

(3) Protect consumers and enhance their choices.

H.R. 10 maintains these fundamental principles.

Much like the bill we passed last year, H.R. 10 creates a new holding company structure under which entities that are financial in nature can directly affiliate.

This new holding company will be overseen by the Federal Reserve Board, but each affiliate will be regulated by its own ''functional'' regulator.

H.R. 10 includes important new consumer privacy provisions requiring banking institutions to tell customers their policies for sharing customer's financial information with third parties for marketing purposes. It would also makes ''pre-text calling'' illegal.

In addition, the bill prohibits all insurance companies (including companies not affiliated under a Financial Holding Company) from disclosing medical information to third parties—without prior consent. In addition to these important privacy provisions, my colleagues and I will later be offering an amendment that further enhances privacy protection.

Finally, we have included legislation that I introduced which provides important consumer ATM disclosures. These provisions mandate clear ATM fee disclosures and guarantees the consumers rights to opt out of a transaction before a fee is charged.

This legislation also includes language I proposed to allow new Financial Holding Companies to retain or acquire commercial entities that are ''complimentary'' to their current or future financial activities. While I do not support full mixing of banking and commerce, this amendment accepts the reality that the lines between financial and commerce are blurring. At a time when we are allowing various financial to affiliate and create new financial holding companies, it is prudent to provide flexibility for companies to engaged in activities which may not meet the definition of financial but are complimentary to the financial activities. This provision stipulates that the investment in the complimentary activity must remain small, and will be subject to Federal Reserve review.

For those of us that serve on the Banking Committee, we are painfully aware of how controversial the issues surrounding the financial services industry can be. To say the least, various sectors of the financial services industry have had different and often conflicting views on how best to go about modernization, but H.R. 10 includes many compromises between all of the interested parties, and it deserves our support.

Did everyone get everything they wanted? No they did not. In fact, I strongly oppose the operating subsidiary provisions included in this bill. We must work to improve this regulatory structure in conference. In addition, while I support the provisions in the bill that would close the unitary thrift loophole, I do not support permitting the transferability of unitary thrift holding companies to commercial entities. The unitary thrift provisions included in this bill today do not prohibit transfers to commercial entities.

In short, allowing the transferability of unitary thrifts to commercial entities in the same as allowing full banking and commerce. I do not support full banking and commerce and believe it could pose serious safety and soundness risks to the deposit insurance fund.

We respect to the operating subsidiary, I am concerned that losses in an operating subsidiary could ultimately affect the parent bank.

A case in point is the First Options/Continental Illinois problems in the late 1980s—Continental Illinois lost considerable more than its investment in First Options. While there are firewalls in place that limit the amount of bank investment, in times of stress, firewalls melt. Such was the case with First Options/Continental Illinois where Continental Illinois injected millions of dollars to prevent the failure of First Options.

Furthermore, the likely result of allowing bank operating subsidiaries is that an independent securities industry will become a thing of the past. The advantage that the U.S. economy has enjoyed is that the credit and capital markets have grown up separately and are strong with each having a great deal of depth.

Not having an independent securities industry will seriously undermine these vitally important markets. Innovation will be stifled and these markets will become less competitive. And importantly, it will make it much harder on the U.S. economy to address economic downturns because the securities system will become directly tie to the health of the banking system. Any stresses on the banking system will affect all of the capital markets. I, for one, do not want to see that result, particularly because the simple answer is to allow banks and securities firms to become sister companies through a holding company which means the securities industry will not be tied directly to the banking industry.

For these reasons I will continue to work to change the operating subsidiary and unitary thrift provisions included in H.R. 10 as this bill moves through conference. However, despite the problems I have with these specific provisions, I believe that we must act today to pass this landmark legislation. There is far too much in this bill that warrants our support. We have come too far to turn back now.

If we fail to act today, we will lose the opportunity to reform our financial system in a meaningful, rational way. It's now or never.

Years of good faith negotiation and compromise have gone into this bill.

Support the passage of H.R. 10.

Mr. LAFALCE. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota (Mr. VENTO) the ranking Democrat on the Subcommittee on Financial Institutions and Consumer Credit.

Mr. VENTO. Madam Chairman, I rise in strong support of H.R. 10. This is a good work product. This is a legislative product that finally brings our statutory provisions of law in line with the current developed financial entities and the future policy path that is necessary to in fact fully engage our economy and our financial institutions in serving our enterprise and serving the consumers of this Nation.

The fact is that I think it is due to a lot of hard work on the part of the gentleman from Iowa (Mr. LEACH) and the gentleman from Virginia (Mr. BLILEY) and the gentleman from New York (Mr. LAFALCE), so too the work of the gentleman from Michigan (Mr. DINGELL) who is in dissent today.

Nevertheless, I think it follows a tradition and path that will, in fact, put us in charge. I think, though, that we probably will not work ourselves out of a job with this measure. There is much to do in many, many aspects of it, but it does for the first time through the work with the various enterprises, the industry, the banks, the securities firms and the insurance firms that are already affiliating today under court and under regulatory practices, it finally puts a statutory policy path that Congress stipulates in place and one that is effective. Of course there is a claim that there is $15 billion worth of saving that inures to the benefit of our economy in terms of some of the streamlining that takes place with this policy and law.

Do we like big banks and big financial institutions? Probably not. But the fact is that the global marketplace that we compete in and that we participate in today is actually bringing these together and about. This is happening in the absence of this law. But what we are trying to do is to try to put in place a legal framework to put back some consumer voice, some public policy voice in that process that affects consumers.

This bill has strengthened Community Reinvestment Act provisions. This bill when the amendment on privacy is adopted, I think the banks will have about the strongest privacy policy of any of the financial entities commercial or otherwise that we have responsibility at the national government for or, for that matter, even at the State level. We know how important that issue is. The privacy provisions that will finally be written into this bill are stronger than those that were in the Commerce bill, stronger than those that were in the Banking provision of H.R. 10.

Beyond that, I think that the bill provides many opportunities to deal with antitrust issues, other issues such as supernotice requirements for mergers, mandatory ATM fee disclosure. It

provides the opportunity for posted privacy policies. Some medical privacy. I think we are going to have some debate about that today. Some would have us believe that no policy is better than the policy that we have in this bill, but we are trying to, in fact, do the right thing. As I said, it deals with antitrust concentration.

As far as the operating subsidiary goes, I think we ought to look very closely at Chairman Greenspan's comments because he pointed out in 1997 that operating subsidiaries pose no safety soundness problem in terms of their operation. As a matter of fact, the Chairman of the Federal Reserve Board regulates just such operating subsidiaries in the States and in the foreign bank operation. These are safe, they are sound, and I think this bill is a good bill and deserves our support.

H.R. 10 represents the changes in law that we need to catch up with reality by mapping a path of true modernization for financial institutions in the financial services marketplace for today and tomorrow. We need to enhance the competitiveness of our financial services sector and to move forward with predictable, certain, logical, and uniform regulation.

As my colleagues are by now painfully aware, there are many Democrats, some of whom supported the bill in the Banking Committee, who can now no longer feel comfortable supporting this legislation. Despite the partisan gamesmanship of the past 24 hours, I remain committed to achieving comprehensive financial modernization through the enactment of H.R. 10 into law, and thus hope that we can pass this bill at the end of the day.

I have put a great deal of time, effort and energy working with my Democratic Colleague and my Colleagues from across the aisle. We have been laboring together for many years—three Congresses on this particular version—crafting and perfecting a compromise on financial modernization that will put the Congressional imprint on modernization. Our Chairman, Mr. LEACH, and the Ranking Member, Mr. LAFALCE were able to work together with Members such as myself and Mrs. ROUKEMA to put together a bill. The Administration, which was opposed to the bill passed last year, was supportive of our Banking Committee product.

We have accomplished much of which we should be proud.

Back in March, the House Banking and Financial Services Committee approved H.R. 10 on a strong bi-partisan basis, 51–8 with 21 Democratic votes cast in support of the bill. Much of this Banking Committee product has been carried forward in the product before us today.

Some important provisions are lacking or inadequate. We do not have complete parity, for example, for affiliation between banks and insurance and securities firms with regard to commercial activities. I would preferred to have gone a little further on limiting Unitary Thrift Holding Companies—indeed, we could have merged the bank and thrift charters. I would have also hoped that we could have included fair housing compliance on affiliates, low-cost banking accounts and application of Community Reinvestment Act-like requirements on products that are similar to bank products, such as mortgages product sold and issued through affiliates.

On the main, however, we have a product that will remove the rusted chains of Glass-Steagall, providing in its place a new financial services infrastructure to keep U.S. companies competitive in the global marketplace, while ensuring consumers the quality services and protections they deserve. We remove the barriers preventing affiliation. We provide financial services firms the choice of conducting certain financial activities in bank holding company affiliates or in subsidiaries of banks on a safe and sound basis.

Some today may say that the operating subsidiary is too risky. That is just not the case. Outgoing Treasury Secretary Robert Rubin, the Federal Deposit Insurance Corporation, and four past Chairs of the FDIC have all explained how the subsidiary structure protects the public interest as well as the affiliate structure—and provides greater protection for the FDIC and bank safety and soundness. Even Chairman Greenspan—the foremost opponent of subsidiaries—acknowledged in 1997 testimony that the subsidiary approach posed no safety and soundness problems.

By requiring bank to be well-capitalized even after investing capital in a subsidiary, we are providing a proper cushion that is not the S&L crisis all over again. Our national banks have been and should remain a source of economic strength and a solid foundation to construct an economic framework of growth. This bill will keep them vigorous and viable, with or without a holding company structure and does not change the balance between the national bank and state bank dual banking charters, and regulation structure.

As I said earlier today, the focus of the lengthy and seemingly endless public debate over this legislation has been the opening of the financial services marketplace to new competition and the reduction of barriers between financial services providers. It is equally important that this bill is a positive step for our constituents and the communities in which they live, as well.

In general, there are inherent benefits of being able to provide streamlined, one-stop shopping with comprehensive services choices for consumers. According to the Treasury Department, financial services modernization could mean as much as $15 billion annually in savings to consumers.

There are additional, specific and key positive consumer and community provisions in the base text.

We have modernized the Community Reinvestment Act (CRA) in a positive manner. And I am pleased that this bill will not contain provisions that move us back in time for CRA. The CRA was enacted by Congress in 1977 to combat discrimination. The CRA encourages federally-insured financial institutions to help meet the credit needs of their entire communities by providing credit and deposit services in the communities they serve on a safe and sound basis. According to the National Community Reinvestment Coalition, the law has helped bring more than $1 trillion in commitments to these communities since its enactment. Groups like LISC, Enterprise, Neighborhood Housing Services, and others too plentiful to mention them all, use CRA to work with their local financial institutions to make their communities better places to live.

CRA's success results from the effective partnership of municipal leaders, local development advocacy organizations, and community-minded financial institutions. By creating such partnerships, the CRA has proven that local investment is not only good for business, but critical to improving the quality of life for low- and moderate-income constituents in the communities financial institutions serve.

Importantly, H.R. 10 ensures CRA will remain of central relevance in a changing financial marketplace. It furthers the goals of the Community Reinvestment Act by requiring that all of a holding company's subsidiary depository institutions have at least a "satisfactory" CRA rating in order to affiliate as a Financial Holding Company and in order to maintain that affiliation, including appropriate enforcement. In addition, H.R. 10 extends the CRA to the newly created Wholesale Financial Institutions ("Woofies"). These provisions represent substantial progress and a critical contribution to the overall balance reflected in this bill.

Other positive provisions include the requirement that institutions ensure that consumers are not confused about new financial products along with strong anti-typing the anti-coercion provisions governing the marketing of financial products; super notices to customers that state that when banks sell non-deposit products they are not insured by the Federal Deposit Insurance Corporation (FDIC) like traditional bank accounts are insured; the requirement to maintain market-related data and to produce an annual report on concentration of financial resources to assure that community credit needs are being met; and the disclosure to consumers of ATM fees, not only on the computer screen, but, also on the ATM machine itself. Additionally, when issuing ATM cards, banks must issue a warning that surcharges may be imposed by other parties.

I would also like to highlight an amendment of I advanced that has been included with a minor change from Commerce committee, requiring public meetings in the case of mega-mergers between banks which both have more than $1 billion in assets where there may be a substantial public impact because of the larger merger, providing our constituents with the important opportunity to express their views regarding mega mergers in their communities.

Importantly, the base text also includes required posted privacy policies by depository institutions of financial holding companies to clearly and conspicuously disclose to their customers their privacy policies, specifying what their policies are with regard to a customer's information. While an amendment later today will make vast improvements for consumer privacy, with this provision, customers can learn what a financial institution's policies are and could be clearly informed of their rights under the Fair Credit Reporting Act to choose not to have their information shared among affiliates.

Frankly, in this way, customers would be able to choose whether they want to do business with institutions that have privacy policies with which they disagree. If they don't like affiliate sharing or other parts of the privacy policy

that an institution has, they have the benefit of living in a country with thousands of small community banks and with other institutions even offering banking on the Internet.

I do want to note something on the medical privacy provisions in Title III of the bill. Mindful of the deep concerns raised by our colleagues on the Commerce Committee and many other outside the Congress, I want to state that we do not want to preempt any comprehensive medical privacy provision. We do not want to create loopholes or set up consumers to be forced to disclosed private data just to get insurance coverage. Neither, however, do we want to leave wide open the possibility that within the confines of this new affiliated structure this bill creates allowing insurance, banking and securities firms to join, that they can learn private medical or genetic information to base credit decisions upon.

I would hope that we will have an opportunity in time to appropriately fix this provision and if that means limiting it to situations where insurance and banks affiliate—so that within these confines insurance companies which affiliate with a bank will keep confidential customer's health and medical information. This represents an initial effort to assure that health information cannot be used to determine eligibility for credit or other financial services. It was not our intent to undercut, circumvent of weaken—but rather to enhance and protect, so let us work together in Conference to improve this if the amendment sought by Mr. WAXMAN and Mr. CONDIT cannot be a part of this process here today.

As I noted earlier in my statement, I had hoped that we could have included a Banking committee reported provision to condition affiliation of insurance companies with banks based on compliance with an existing law—the Fair Housing Act. It is a productive provision that more than suggests that companies who seek to expand their opportunities are meeting the needs of communities and following the law by not discriminating.

There have been settlement agreements and consent decrees between the Department of Housing and Urban Development, the Department of Justice and insurance entities that resulted from alleged violations of the Fair Housing Act. What has resulted is changes in underwriting guidelines (such as changes eliminating "year the dwelling the built" or "minimum dollar amounts of coverage" OR not denying coverage SOLELY on the basis of information contained in credit reports) that will better ensure the homeowners are not denied insurance—and quite possibly the opportunity to become homeowners—because of discrimination.

It is indeed unfortunate that neither the base text has not did the rule allow as an amendment a provision to strengthen fair housing and to eliminate discrimination. This provision could have been step forward for consumers as much as requiring low-cost banking accounts could have been. These provisions would have ensured that the benefits of modernization would be more available to consumers of all economic means. Low cost accounts could have taken a form similar to the ETA accounts created by Treasury with little or no burden, and certainly no credit risk borne by depository institutions.

Mr. Chairman, in closing, following more than 20 years of debate on financial modernization, I think that we are close to achieving our goal. And if not on the rule, on much of the substance of the bill before us today, we have done so on a bipartisan basis. We have much to do so we can get this bill through a Conference with Members of the other body. Their bill has many provisions that are extremely problematic for the Administration and for House Democrats, from debilitating limitation on the national bank operating subsidiary to outright gutting of the Community Reinvestment Act.

I ask my colleagues to join me in supporting H.R. 10. I want to thank Chairman LEACH, Ranking Member LAFALCE, and Chairwoman ROUKEMA and their respective staff for all of their work and cooperation on this important legislation.

Mr. BLILEY. Madam Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. GILLMOR), the vice chairman of the committee.

Mr. GILLMOR. Madam Chairman, I thank the gentleman for yielding me this time and I thank him for his leadership on this issue. I rise in support of the bill.

Madam Chairman, this bill makes the most fundamental change in the laws covering financial institutions in 60 years. It deals with a broad scope of services, banking, insurance, securities. It also recognizes the changes that have taken place in the economy over that period of time and also the dramatic change in technology which has made possible the offering of services now which would not have been possible before.

The financial combinations authorized by this bill can result in significant savings in the delivery of financial services. But as institutions are combined and as they become larger, it is essential that there be safeguards for safety and soundness to protect both consumers and taxpayers. This bill for the most part contains those safeguards.

I am also happy that the bill before us contains several provisions I sponsored in the Committee on Commerce. Among those was the requirement that the Federal Reserve consider before approving mergers whether the merged institution would be ''too big to fail.'' Mergers that are if they fail so big that the taxpayers or the government will have to bail them out simply should not be permitted.

The bill also contains a provision I introduced to prevent discrimination against certain banks in the sale of title insurance, and those regulatory restrictions I sponsored in last year's bill have stayed in here called ''Fed Lite.''

Regrettably, it does not include some of the provisions I introduced in the Committee on Commerce, which the committee approved, to protect the privacy of customers of merged institutions. But I am happy that those privacy provisions were made in order in the amendment to be offered by the gentleman from Ohio (Mr. OXLEY) later in this bill.

I urge the support of that amendment and I urge the support of the bill.

Madam Chairman, I rise in support of the bill.

This bill makes the most fundamental change in the laws covering financial institutions in over 60 years. It deals with the broad scope of services—including banking, insurance and securities. It recognizes the changes which have taken place in the economy in that time, and also the dramatic change in technology which has made possible the offering of services now which would not have been possible before.

This bill has the potential of expanding financial services to consumers and creating more competition. The financial combinations authorized by this bill can result in substantial savings in the delivery of financial services. However, as institutions are combined, and as they become larger, it is essential that there be safeguards for safety and soundness to protect both consumers and taxpayers. The bill for the most part contains those safeguards.

Two years ago as H.R. 10 was being considered in the previous Congress, I was concerned with the broad expansion of certain regulatory powers. My amendment in the Commerce Committee two years ago, which was included in the current bill, created the functional regulation framework for financial holding companies. The purpose of this ''Fed Lite'' regulatory framework is to parallel the financial services affiliate structure envisioned under this legislation. This parallel regulatory structure eliminates the duplicative and burdensome regulations on businesses not engaged in banking activities, and importantly, preserves the role of the Federal Reserve as the prudential supervisor over businesses that have access to taxpayer guarantees and the federal safety net.

Besides numerous consumer protections, H.R. 10 also includes important taxpayer protections. I am happy that the bill before us contains certain provisions that I sponsored before the Commerce Committee. Among those was the requirement that the Federal Reserve consider before approving mergers whether the merged company will be ''too big to fail.'' Mergers that are so big that failure would result in the government or taxpayers bailing them out should not be permitted.

We are in the age of megamergers, and the creation of increasingly large financial institutions. To give you an idea of how big, consider that the recent merger of Citicorp and Travelers created a company with $690 billion in assets. The merger of Bank of America and Nations Bank left an institution with $614 billion. To put those figures in prospective, the budget for the entire federal government is $1.8 trillion, or one thousand eight hundred billion.

There are clearly economic benefits to be gained from consolidation. But the larger the potential for economic benefits, the larger the potential costs become to the financial system, and the American taxpayers, should the combined entity fail. Any substantial disruption in

the institution's operations would likely have a serious effect on the financial markets.

There is currently no statutory requirement that the Fed explicitly examine whether a combined entity would be too big to fail. The too big to fail provision does not focus on limiting megamergers, but instead maximizes the credibility of prudently managed large financial institutions, which will benefit financial consumers and the American taxpayers.

The bill before us also contains the provision I introduced to prevent discrimination against certain banks in the sale of title insurance. This amendment brings the special carve out for one kind of insurance activity back in line with the purpose of financial modernization—the consistent application of authority and restrictions on title insurance activity for all banks.

The operating structure of the new financial entities created by this bill is a crucial issue for the safety and soundness of our financial system. The question is not how the financial institutions can best offer and market their financial services and products. The fact is, whether under an affiliate structure or an operating-subsidiary structure, business will make it work either way. Instead, the question is how to regulate the structure under which financial services and products are offered and sold.

Under the holding company affiliate structure, if one business goes broke, that failure will not affect the safety and soundness of the bank in the holding company. But under the operating-subsidiary structure, if a subsidiary of a bank goes broke, that can pose material risk to the safety and soundness of the bank.

Banking regulators have indicated that they do not like deferring to functional regulators for activities of bank subsidiaries. Do we want a politicized federal banking regulator to regulate a structure that is supposed to achieve competitive equality across the board for all financial services? The bank holding company affiliate structure is the best institutional vehicle that permits participation in financial modernization with the least risk of transferring the safety net subsidy.

Regrettably, this bill does not include all the provisions I introduced in the Commerce Committee, and which the committee approved, to protect the privacy of customers of these merged institutions. However, I am pleased that most of my privacy protections were made in order to be offered in an amendment later in the bill.

This amendment which I offered in committee was an important step forward in protecting individual privacy. It protected consumer privacy by regulating the disclosure and sharing of customer information by financial institutions to third parties.

My amendment, which the committee adopted, required that a financial institution not only disclose to a customer its policy about transfer of non-public personal information about the customer to a third party, it also requires that the customer have the opportunity to opt-out of having personal information disclosed to a third party.

Privacy is more of a concern than it was in the past. George Washington didn't have the privacy threats that face even the average individual today. To obtain George Washington's private information you would probably have had to break into Mount Vernon, and then have been lucky enough to find the right papers in his desk or strong box. It is now much easier to get anyone's personal information.

The simple reason for the much greater threat to privacy today is the astounding growth of technology and information gathering. The tremendous human benefits that have come from these advances also carry with them unprecedented new threats to personal privacy. Personal privacy needs reasonable protections, because personal privacy is an important part of individual freedom.

Personal information is much more accessible now, even without the person whose privacy is being invaded ever knowing. The sale and transfer of personal information, without the individual's knowledge or consent, is both widespread and growing.

Individual privacy is in danger from government, from business, and even from individuals sitting at home with a computer. My amendment recognizes those changes by providing in the area of financial institutions reasonable and realistic privacy protections, without unduly interfering with the normal and reasonable conduct of business.

Mr. DINGELL. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Madam Chairman, I thank the gentleman for yielding me this time.

The banking modernization bill could be a good bill, but I oppose the selling out of your and my personal privacy. I oppose compromising my privacy. Democrats oppose the selling of the privacy of all Americans. All Democratic amendments on privacy have been rejected. And why?

Let us take a look at the Los Angeles Times editorial dated today, ''No Prescription for Privacy,'' and I quote:

''The House must defeat legislation that would allow health insurers to sell medical records to other insurers without the consent or even knowledge of the patients.

''Legislators usually become angry and defensive when ulterior motives are ascribed to legislation. But if voters are to believe that this measure is unrelated to the fact that the insurance industry was the single largest soft-money donor to Republicans in 1997–98, then let them explain how this anti-consumer amendment benefits those voters.''

Folks, they are selling you out. They are selling your privacy, not just your financial privacy but now your medical privacy. When I go to the bank, when I buy insurance, I provide information which is personal, private. But this bill allows personal, private medical, financial information. Every check I ever wrote, every medical decision I ever made, they are going to sell it, and they are going to sell it to the telemarketers, without my knowledge and without my consent.

I know the Republicans have said they will fix it later with comprehensive privacy legislation. Later, later. But once they sell the information, once it is out in the world, once it is out in this electronic world we live in, they are going to pass a law then and say you cannot have it. Are they going to recall it? Are they going to tell every person, every business to recall the information? Plus once it is paid for, you think businesses are not going to make copies and continue to hold it?

Your privacy has been violated. Oh, they will stop all right. Will they? Will they? Will they let their largest single soft-money contributor to the GOP, the insurance industry, call it back? They will not.

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from Alabama (Mr. BACHUS), the distinguished subcommittee chairman.

Mr. BACHUS. Madam Chairman, in 1933, most of our U.S. highways were gravel-topped, we had no controlled interstates like we do today, controlled access four-lane highways; our railroads were operating steam engines, diesels were still several years off; our airlines were flying biplanes with three engines; and we had Glass-Steagall.

Today we have interstate highways, they have replaced our gravel U.S. highways; we do not have any more steam engines, you have to go to China to see one; but we still have Glass-Steagall.

Thank goodness that today we have a modern financial bill that is before us to vote that will save the American people $15 billion a year, that will increase privacy protections. You can tell your bank, ''No, I would rather not have that information released.'' Finally, these two things:

It will increase our competitive ability against the world and the global market, our financial firms, it will increase convenience for Americans, and it will increase competition, lowering the cost of insurance, mortgages and all financial services.

I urge the Members to vote ''yes'' on final passage and get us out of the biplane, steam engine age.

1933. There were no interstate highways. In fact, there were no four-lane limited-access highways in America. Most of our U.S. highways were gravel; a few were dirt.

In 1933 steam engines pulled trains along America's railroads. Diesels were still a decade away. Today's college graduates have never seen a steam engine in revenue service on America's railroads. Want to see a working steam engine. You had better take a quick trip to the third world or remote areas of China, for instance, because the last few in service are rapidly disappearing.

1933. Take a trip on a jet airplane. Hardly. They were decades away. To get from city to city, if there was air service (and that was a big if), you might climb aboard a tri-engine wood-framed biplane. Today you can see that very aircraft of 1933 in the Smithsonian. Not even my generation saw them in service.

However, such is not the case for our financial services laws. The law which regulates

and applies to the entire financial services industry (banking, insurance and securities) today applied in 1933. In fact, it was in 1933—not the year Albert Einstein became famous, but the year he immigrated to America—that the law in effect today was enacted by Congress. You may not recall that Congress or even the events in Washington that year. The big political happening in 1933 was Calvin Coolidge's funeral. You don't recall that event? The "Three Little Pigs" was making its debut as one of Walt Disney's first productions. It has been several years since Walt Disney died. But our 1933 financial services laws of that day live on today. Yes, like the memory of Calvin Cooledge's funeral they are dog-eared and worn. And every bit as inefficient as a steam engine would be on today's railroad tracks or a tri-engine wood-frame biplane in service by today's airlines. Imagine wanting to travel across country and finding not only no controlled access highways, but only gravel-topped or dirt-topped highways. What an inefficiency. What an inconvenience. What a cost to the economy. How outmoded. That's exactly what America's financial services community has to contend with today. The law is no more intended for today's market than a Model T Ford. This is true of today's outdated financial services laws. It is time to bring financial modernization laws not only into the late 20th Century but revise them for the fast-approaching 21st Century. H.R. 10 is such a law.

But H.R. 10 is more than just an updated or modern approach to banking. It's an improvement over existing laws. All Americans today would benefit from H.R. 10 in the following ways:

Greaer efficiency in competition will drive down prices of financial services (loan rates, insurance premiums, etc.). Savings are estimated at $15 billion a year. Seeing what competition can do in sports and other businesses, it is time to find out in financial services.

Imagine our American financial firms having to compete effectively in international markets restrained by laws of yesteryear. In a global economy the ability of American financial firms to compete effectively internationally is mandatory. They can only do so under modern laws such as H.R. 10. Let's increase their effectiveness to compete internationally. It is past due.

Americans not only love competition and low prices, but also convenience. H.R. 10 promises better convenience and access to financial products, more choices in both urban and rural America. Time is money and convenience is paramount in today's fast-moving society. After years of trying and failing, isn't it time this Congress finally offered the convenience of modern banking to American consumers? Convenience and more choices.

Not only does H.R. 10 offer improved ability for our companies to compete in the world market, more competition and choice for the American public, but it also promises increased privacy protections. Under an amendment to be offered today, which I support, the American banking customer can tell his local bank, "I'd rather you did not show that information outside the bank." Americans love their privacy and what it protected.

For all of these reasons, it's time, no it's past time, to modernize our financial services laws. Accomplish this and preserve American financial leadership for the 21st Century by voting yes on final passage of the Financial Services Act of 1999.

Mr. LAFALCE. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from California (Ms. WATERS).

Ms. WATERS. Madam Chairman, I rise in opposition to H.R. 10, the Financial Services Act of 1999. I must oppose this legislation because it distorts the intent of the members of the House Committee on Banking and Financial Services who worked hard to develop a credible piece of legislation that would cover the mergers of banks and commercial interests.

Instead of respecting the bipartisan work of the House Committees on Banking and Financial Services and Commerce, the House Committee on Rules hijacked this bill. They stripped out the Lee anti-redlining amendment that had been adopted in Banking and the Markey amendment was stripped out on privacy that had been adopted in Commerce. I have never seen this before. You vote, you get an amendment passed, and then the Committee on Rules literally takes it out without a vote? The Committee on Rules then denied a rule to have a debate on privacy. And, of course, they denied my amendment on lifeline banking for low-income consumers who do not have bank accounts with traditional banking institutions.

The House Committee on Rules further added a dangerous amendment by the gentleman from Iowa (Mr. GANSKE) that allows private medical record information to be given to subsidiaries and sold to others. Then, to add insult to injury, the Committee on Rules made in order an amendment by the gentleman from Texas (Mr. PAUL), the gentleman from Georgia (Mr. BARR) and the gentleman from California (Mr. CAMPBELL) that can only be identified as the Dope Dealers and Money Launderers Act of 1999. The Paul amendment adjusts the currency transaction reporting requirement from $10,000 to $25,000, making it easier for drug dealers to spend and launder drug proceeds.

Let us go a little bit further. The gentleman from Virginia (Mr. BLILEY) will have Members believe that he is doing something about domestic violence and protecting the victims. It is a trick. He is allowing these mutual insurance companies to move out of their States that do not allow them to take their proceeds away from the policyholders and put them in the hands of the officers. He is trying to make Members believe that he is doing something for women. Members do not want their fingerprints on this bill. This is a bad one. Vote "no."

Mr. BLILEY. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. LAZIO), a member of the Committee on Commerce and a member of the Committee on Banking and Financial Services.

Mr. LAZIO. Madam Chairman, let me begin by congratulating and thanking the gentleman from Virginia (Mr. BLILEY) and the gentleman from Iowa (Mr. LEACH) for the stewardship of this fundamentally important piece of legislation for the American economy, having persevered through a number of different discussions and bringing this to the verge of passing as an historic piece of legislation.

Let us go back for a moment to the early 1930s. The stock market collapsed, the SEC did not exist, and there were few Federal securities laws. In 3 years between 1930 and 1933, 8,000 banks went bankrupt and American families lost $5 billion in deposits, an enormous sum at the time.

To restore American confidence in our banks, Glass-Steagall erected a wall between commercial banks and securities firms. Deposit insurance was created so American families knew their financial nest egg was safe. Glass-Steagall made sense, 60 years ago. But 60 years ago, families kept the bulk of their savings in banks, earning low rates of interest. Today, families invest in the stock market and 43 percent of adults own a piece of the market because Americans in the 1990s seek higher returns on their investments.

Consumer behavior changed because stocks and mutual funds achieved superior long-term results, people began managing their own retirement funds through individual retirement accounts, 401(k) plans and Keogh plans. In short, Americans are no longer hiding their savings in their mattresses.

□ 1715

Today we stand at the center of an electronic revolution. On line brokerage businesses are growing. Three securities legends teamed up to create a rival to the New York Stock Exchange. Money moves from Tokyo and back in an instant. A consumer can see and speak to a live teller via the Internet. We simply no longer live in a depression era that gave birth to Glass-Steagall.

With this bill, working families will have more choices. Do my colleagues want an account with no commissions and pricing based on household assets? Do my colleagues want to carry a credit card that has no ATM fees for transactions worldwide? Do my colleagues want a e-commerce link that has a rewards point program?

With this bill, small businesses will have a greater array of products and services from which to choose. Do my colleagues want convenient Internet access to their checking, savings and investment activities? Do my colleagues want a discount for goods purchased through e-commerce? Do my colleagues want global market intelligence and unified accounting reporting?

This bill breaks the chains of Glass-Steagall that no longer serve the interests of American families without sweeping us away in a tide of economic euphoria. This bill intends to keep us as the caretakers of a senior citizen's nest egg and to ensure that the life savings of working families are not lost in economic downturns.

Congress should break down these barriers and encourage competition, creating an environment for more innovative products and better prices. I urge my colleagues, Democrats and Republicans, to let American banking step into the 21st century. Support the Financial Services Act.

Mr. DINGELL. Madam Chairman, I yield 1½ minutes to the distinguished gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Madam Chairman, I commend the ranking member, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Florida (Mr. BLILEY) for their leadership on this bill. H.R. 10 would be a much more efficient financial service bill, bringing greater choices and lower prices for consumers, and that is a good thing. But this bill has serious flaws that must be corrected. Most important, the language regarding privacy of medical information has to be strengthened.

The American Nurses Association says this about H.R. 10:

The proposed language would, in fact, facilitate the broad sharing of sensitive health and medical information without the consent of the consumer.

H.R. 10, as it is now written, will allow an insurance company to sell consumers personal health information. That is wrong. Patients should be encouraged to share with their doctors, nurses, and therapists all their health information. No diagnosis or treatment is complete without it. But if patients cannot be sure that this sensitive and personal information will be kept confidential, they will not be so forthcoming, and that will hurt patient care and stifle research projects.

Let us be clear. Privacy must never take a back seat to profits. We must first fix these provisions and then pass an outstanding financial services bill.

Mr. LEACH. Madam Chairman, I yield 1 minute to my great friend, the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Madam Chairman, today marks a positive and long sought milestone along the long journey to financial modernization. I commend the chairman and the ranking member, the gentleman from New York (Mr. LAFALCE) and the Committee on Commerce leadership also for their involvement and cooperation.

This bill is necessary to keep the United States in its preeminent position in the world's financial marketplace. There are a number of reasons to support. I am going to list just a few:

H.R. 10 illustrates that a Federal statutory change in financial law is imperative.

Second, this measure will allow financial companies to offer a diverse number of financial products to their consumers.

Third, this bill will have a distinct positive effect on consumers.

Fourth, the bill allows for no mixing of banking commerce through a commercial basket.

Fifth, this measure will necessarily restrict unitary thrifts.

Sixth, the bill will avoid the threat of presidential veto by placing the integrated financial activities in the operating subsidiary structure.

Seventh, it balances the interests of a State in regulating insurance with that ability of a national bank to sell insurance.

And Number 8, it strikes an equilibrium on the issue of securities.

My colleagues, I urge strong support for this legislation. It is a long time coming. It is worth the effort.

First, a Federal statutory change in financial law is imperative because Congress must call a halt to the recent trend of ad hoc financial modernization through regulatory fiat and judicial consent. Instead we need to modernize the nation's banking laws through statute.

As a matter of fact, on the first day of Banking Committee consideration of financial modernization legislation in 1998, during the 105th Congress, this Member stated: "Once more, we start an effort to modernize our financial institutions structure. It is an effort we have tried before and must begin someplace. It should begin in the House, and so I commend you, Chairman Leach, for launching this effort. We need to do this. We need to face up to our responsibilities as a legislative body. There is no doubt about that."

Second, this Member supports H.R. 10 as it will allow financial companies to offer a diverse number of financial services to the consumer. This bill removes the legislative barriers within the Glass-Stegall Act of 1933 and the 1956 Bank Holding Company Act. As a result, H.R. 10 will allow financial companies to offer a broad spectrum of financial services to their customers, including banking, insurance, securities, and other financial products through either a financial holding company or through an operating subsidiary.

Banks, securities firms, and insurance companies will be able to affiliate one another through this financial holding company model. These entities will be able to engage in those activities which are defined to be "financial in nature" which include: lending, other traditional bank activities, insurance underwriting, financial and investment services, securities underwriting and dealing, merchant banking, and other activities.

In order for banks to be able to engage in the new financial activities, the banks affiliated under the holding company or through an operating subsidiary have to be well-capitalized, well-managed, and have at least a satisfactory Community Reinvestment Act rating.

Third, this Member supports H.R. 10 because it is very pro-consumer. It will increase choices for the consumer in the financial services marketplace by creating an environment of greater competition. As a result, financial modernization will allow consumers to be able to choose from a variety of services from the same, convenient, financial institution. Financial modernization will give consumers more options.

Whether it be in rural Nebraska, or in New York City, consumers of financial products all across the United States deserve additional competitive options. Moreover, under the current setting, many rural communities are under-served in regards to their access to a broad array of financial services. Financial modernization will help ensure that the financial sector keeps pace with the ever-changing needs and desires of the all-important consumer.

In addition, H.R. 10 will also allow financial institutions to provide more affordable services to the consumer. Financial modernization will result in additional competition and in efficiency which in turn should result in lower prices for financial services to the customer.

Fourth, this Member has been a fervent advocate of keeping banking and commerce separate. In fact, this Member is quite pleased that H.R. 10 does not contain a "commercial market basket" which would have allowed the very dangerous mix of commerce and banking—equity positions by commercial banks. We must avoid the problems that the Japanese have lately experienced because of such a dangerously volatile mixture of commerce and banking in their banking institutions.

An amendment was initially filed, but not offered, in the House Banking Committee in the 106th Congress which would have allowed for the mixing of banking and commerce in a five percent market basket. However, this Member believes in large part because of expressed strong opposition, including vocal and effective opposition of this Member, this amendment was withdrawn for consideration in the Committee.

Fifth, the issues of the unitary thrift charter is of significant importance to Nebraska commercial banks. One of the reasons this Member is unequivocally opposed to the existence of this unitary thrift charter is because of its mixing of thrift activities with commercial ventures. However, this is not the sole reason—it also results in an extremely powerful variety of financial institutions that has an uncompetitive advantage over other types of financial institutions. At the H.R. 10, Banking Committee markup in the 106th Congress, I expressed my desire to completely closing the unitary thrift loophole.

Financial modernization, H.R. 10, allows for no new unitary thrifts; indeed it restricts commercial entities from purchasing grandfathered, existing thrifts. There was a compromise in the legislation before us which establishes an application process whereby the Federal Reserve Board and the Office of Thrift Supervision will determine whether an existing unitary thrift holding company may be sold to a commercial firm. This Member wants that grandfather loophole closed altogether.

This Member also believes that the provisions on unitary thrifts in H.R. 10 are better than the status quo which allows both new unitary thrifts as well the unfettered transferability of existing thrifts to commercial entities.

A very recent example is Walmart's recent application with the Office of Thrift Supervision to acquire a unitary thrift in Oklahoma. Again, this Member wishes that H.R. 10 would go one step further and prohibit the transferability of existing unitary thrifts to commercial entities. If H.R. 10 passes, this Member is hopeful that such a prohibition could be considered and adopted during the probably House-Senate conference on H.R. 10. This Member would reiterate that his concerns about unitary thrifts transferability remains as a major concern regarding H.R. 10.

Sixth, this Member believes that, in order to avoid the President's veto of H.R. 10, the operating subsidiary structure for these integrated financial activities is the preferred financial structure to adopt. As is well known among the Members of this body, the Treasury Department desires the operating subsidiary structure. However, the Federal Reserve Board desires the affiliate structure. Both sides of this issue make compelling arguments for their positions on this matter. However, among other important reasons, because of the threat of a veto, this Member believes that the operating subsidiary is the best structure for these integrated financial activities.

Seventh, this Member supports H.R. 10 because, it balances the interest of a state in regulating insurance with that of the interests of a national bank to sell insurance. At the outset, this Member notes that he has a strong record of supporting states rights, especially in the area of insurance regulation.

In that respect it is important to note that H.R. 10 preserves state rights by providing that the state insurance regulator is the appropriate functional regulator of insurance sales. Whether insurance is sold by an independent agent or through a national bank, the state, and only the state, is the functional regulator of insurance in both instances. Moreover, H.R. 10 also does not unduly burden the ability of national banks to be able to sell insurance.

Eighth, this Member supports H.R. 10 as it strikes an equilibrium between the interests of securities firms with those banks that will be allowed to sell securities under H.R. 10. This measure amends the 1934 Securities Exchange Act to provide functional regulation of bank securities activities. As a general rule, securities activities under H.R. 10 will continue to be regulated by the Securities and Exchange Commission.

Financial modernization, H.R. 10, repeals the "broker" and "dealer" exemptions that banks have under Federal law, which subject banks to the same regulation as all securities firms. In addition, H.R. 10 replaces the "broker" and "dealer" exemptions with other exemptions which allow banks to be able to engage in their current activities involving securities.

Lastly, this Member supports H.R. 10 as its passage is necessary to keep the United States in its preeminent position in the world, financial marketplace. U.S. financial institutions are among the most competitive providers of financial products in the world. However, the financial marketplace is currently undergoing three changes which are altering the financial landscape of the world.

The first of those changes involves a technological revolution including the internet through electronic banking. Technology is blurring the distinction between financial products. The other two changes include innovations in capital markets, and the globalization of the financial services industry.

Financial modernization is the proper, appropriate step in this ever-changing financial marketplace. Consequently, in order to maintain American's financial institutions' competitive and innovative position abroad, H.R. 10 needs to be enacted into law. In the absence of this bill, the American banking system could suffer irreparable harm in the world market as we will allow our foreign competitors to overtake U.S. financial institutions in terms of innovative products and services. We must simply not allow this to happen.

Therefore, for all these reasons, and many more than have been addressed today by this Member's colleagues, we must, and will pass H.R. 10. This Member urges his colleagues to support H.R. 10, the Financial Modernization bill.

Mr. LAFALCE. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Madam Chairman, I rise in strong opposition to this bill. I support financial modernization if modernization means more choices for consumers, more competition, greater safety and soundness, stopping unfair bank fees and protecting consumers and underserved communities. But Madam Chairman, I believe this legislation in its current form will do more harm than good. It will lead to fewer banks and financial service providers, increased charges in fees for individual consumers and small businesses, diminish credit for rural America and taxpayer exposure to potential loses should a financial conglomerate fail. It will lead to more megamergers, a small number of corporations dominating the financial service industry and further concentration of economic power in this country.

It is no secret, Madam Chairman, that far bigger financial institutions lead to bigger fees which total more than $18 billion last year. The U.S. Public Interest Research Group and the Federal Reserve Bank have conducted studies and confirm that bigger banks charge larger fees, and there is no question in my mind that if this bill is passed, that process will be accelerated.

This bill is in fact, however, good for big banks, but the big banks are doing just fine without this bill. Government-insured banks earned a record $18 billion in just the first 3 months of this year, 2.1 billion more than they earned in the same period last year. At a time of increasing bank fees, increasing ATM surcharges, increasing credit card fees, increasing minimum balance requirements, it is time for the Congress to stand up for the consumers. The big banks are doing fine. Let us protect the consumers. Let us vote no on this legislation.

Madam Chairman, I rise in opposition to the bill.

I support financial modernization—if modernization means more choices for consumers; more competition; greater safety and soundness; stopping unfair bank fees; and protecting consumers and under-served communities.

But Madam Chairman, I believe this legislation, in its current form, will do more harm than good. It will lead to fewer banks and financial service providers; increased charges and fees for individual consumers and small businesses; diminished credit for rural America; and taxpayer exposure to potential losses should a financial conglomerate fail. It will lead to more mega-mergers; and small number of corporations dominating the financial service industry; and further concentration of economic power in our country.

The banking industry is currently involved in some of the largest mergers in history. Four of the top ten mergers last year involved bank deals totaling almost $200 billion. Today, three-quarters of all domestic bank assets are held by 100 large banks. And this bill, if passed in its current form, will further accelerate the consolidation of banking and financial assets that we have seen in recent years.

It is no secret, Madam Chairman, that bigger financial institutions lead to bigger fees—which totaled more than $18 billion last year. The U.S. Public Interest Research Group and the Federal Reserve Bank have conducted studies and confirmed that bigger banks charge higher fees than smaller banks and credit unions. The Public Interest Research Group's 1997 study of deposit account fees at over 400 banks found that big banks charge fees that are 15 percent higher than fees at small banks. Credit union fees, by comparison, were half those of big banks. And the Public Interest Research Group's 1998 ATM surcharging report found that more big banks surcharge non-customers, and big-bank surcharges are higher.

This bill is certainly good for the big banks of America, but the big banks are doing fine even without this bill. Government-insured banks earned a record $18 billion in just the first three months of this year—$2.1 billion more than they earned in the same period last year. Bank profits were also up $1.9 billion in the first three months of this year—beating the previous record set in 1998. And, according to the Federal Deposit Insurance Corporation, the increase in earnings was led by the largest banks, while smaller banks saw their earnings decline.

This bill has everything the big banks want, but it has little or nothing for consumers. It does not modernize the Community Reinvestment Act (CRA) by applying CRA requirements to new financial conglomerates. It does not stop ATM surcharges. It does not safeguard stronger consumer protection laws passed by the various States. It does not provide the strong privacy provisions that will be needed with the creation of large financial service conglomerates, It does not require that banks serve low- and moderate-income consumers by offering basic, lifeline accounts. And it does not even include provisions to protect women and minorities from discrimination in homeowner's insurance and mortgage services. These anti-discrimination provisions were

included in the version of the bill that was reported out the Banking Committee, but they mysteriously disappeared from the bill when it came out of the Rules Committee.

At a time of increasing bank fees, ATM surcharges, credit card fees, increasing minimum balance requirements, discrimination against women and minorities, and the loss of many locally-owned banks to large, multi-billion dollar corporate institutions, Congress should consider pro-consumer legislation to directly address those problems. But this bill is not good for consumers, or small businesses, or taxpayers, or under-served communities. I urge my colleagues to reject this bill.

Mr. BLILEY. Madam Chairman, I yield 2 minutes to the gentleman from Iowa (Mr. GANSKE), my friend and colleague.

Mr. GANSKE. Madam Chairman, I yield to the gentleman from New York (Mr. LAFALCE), my friend and colleague.

Mr. LAFALCE. Madam Chairman, I and many, many others have tremendous concerns about the gentleman's amendment, two in particular.

Number one, we want to make sure that it does not in any way preclude the authority of the Secretary of HHS to promulgate medical privacy regulations subsequent to August 21, and it is imperative that that be made explicit in conference.

Secondly, there are so many health provider organizations, the AMA, the Nurses Association that have concerns primarily because of the exceptions in the gentleman's amendment, and I want my colleague's assurance that he will work for specific statutory language in conference that will deal with both those problems.

Mr. GANSKE. Madam Chairman, I want to assure my friend that it was not the intent of the language in this bill to preclude the Secretary from being able to issue her regulations in August, and I will work with the gentleman in conference to make that explicitly clear in language, that nothing in this would preclude her from doing that.

Madam Chairman, I yield to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Madam Chairman, as a clinical psychologist myself and in the gentleman's role as a physician I know that we are both concerned about protecting the confidentiality of individual medical information. I also know of the gentleman's hard work to craft language that would limit the sharing of information between financial industry entities and their subsidy areas.

However, it is my concern and the concern of other Members about the confidentiality of sensitive health and medical information under the listed exemptions of the current bill. To address those concerns I would like to ask my colleague and good friend if he would agree to support at conference inclusion of language to allow the exchange of general economic and clinical information but prohibit the exchange of personally identifying information such as the names, addresses, or social securities of specific patients.

Mr. GANSKE. Madam Chairman, I appreciate the comments of my colleague the gentleman from Washington (Mr. BAIRD). We both want privacy for our patients. We also both want to see insurance function. I pledge to work with my colleague and also the gentleman from Massachusetts (Mr. MARKEY), the gentleman from California (Mr. CONDIT), the gentleman from California (Mr. WAXMAN) to improve the provisions in this bill in conference so that we can do both.

Mr. DINGELL. Madam Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Madam Chairman, the gentleman from Michigan (Mr. DINGELL), myself, many Members of this body over the last 14 years for me have worked to produce this financial modernization bill. Many times I have brought it out here on the floor. I can remember our final meeting with President Bush and Secretary Baker back in 1990 where it just came down to one final detail. We have been here many times before. It is an important bill. But it is only half a bill because as the financial revolution speeded up by the global technology telecommunications revolution, hits our country, we need to provide protections for ordinary people as well.

Yes, this bill gives ordinary Americans a window on Wall Street, but simultaneously it gives Wall Street a window on each one of our living rooms. The problem with the Republican bill is that it says that if their checks, and let us just say for the sake of this discussion, they you have had their checks in the same bank for the last 25 years, every check my colleagues have written for your family. Now, after this bill passes, that bank can now buy a brokerage or an insurance affiliate. This legislation says that they can hand over all of my colleagues checks for the last 25 years to the 300 or 400 brokers in their new affiliate even though they have got a broker down the street who has been their broker for the last 25 years. So every one of the checks that my colleagues have written are now in the hands of 300 brokers in town who my colleagues do not want to go through everything that they have done financially for the last 25 years.

Now should people have the right to say, no, I do not want that? The Republicans refuse to give that right. What they say is we are going to give people notification that we are going to compromise their privacy. That is like a burglar leaving behind a note saying what they have stolen, giving notice, but my colleagues have no right to stop it.

Now, my colleagues, here is how the American people feel about this issue. Question, AARP: ''Would you mind if a company did business with sold information about you to another company?'' Ninety-two percent of Americans would mind. I do not know who the other 7 percent are, but 92 percent would mind.

Now let us go to the next poll. The next poll is just as bad. Here is the question: ''In the future banks, insurance companies, and investment firms may be able to merge into a single company. If they do, would you support or oppose these narrowly merged companies from internally sharing information about your accounts or your insurance policy?'' Eighty percent would oppose sharing. Eleven percent would support it.

Eighty percent oppose. They want the right. This is the AARP.

And the final chart: Here is what a typical bank's policy says quite simply: ''Even if you request to be excluded from affiliate sharing of information, we will share this other information about you and your products and services with each other to the extent permitted by law.'' We determine what the law is. If we do not pass a law, they are sharing that information.

Madam Chairman, the world breaks into three categories, the information peepers, and they are out there; now, with the new technology, the information mining reapers who use these electronic technologies to gather all parts of our life, medical, financial, checking; and third, information keepers. They used to be our local doctor, our local banker, but they have been purchased by multinational banks, by multinational or by national HMOs.

The information keepers of the modern era are the United States Congress. If we do not pass these laws today, the American people are unprotected.

□ 1730

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from California (Mr. ROYCE), my colleague and great friend.

Mr. ROYCE. Madam Chairman, we can create a financial structure that provides lower costs, increased access, better services, and greater convenience to consumers.

Every consumer in this country is connected in some way to the financial services industry. Nearly every economic transaction involves the exchange of money or the promise of a future exchange of money, meaning that every day every consumer feels the weight of an outdated and overburdened system of regulation in the form of higher costs.

The legislation we are voting on today provides consumers with significant relief from these costs. Indeed, with the efficiencies that could be realized from increased competition among

banking, securities and insurance providers under this legislation, the Treasury Department tells us that consumers will ultimately save as much as 5 percent, or $15 billion per year in the aggregate.

As a member of the House Committee on Banking and Financial Services, I urge my colleagues to support this legislation.

Madam Chairman, we have the opportunity here today to accomplish what no other Congress of the last 20 years has been able to, and that is to modernize the depression era laws governing our financial services sector. In doing so, we will create a structure that provides lower costs, increased access, better services, and greater convenience to consumers.

Every consumer is connected in some way to the financial services industry. Nearly every economic transaction involves the exchange of money or the promise of a future exchange of money—meaning that every day, every consumer in this country feels the weight of an outdated and overburdened system of regulation, in the form of higher costs.

The legislation we are voting on today provides consumers with significant relief from these costs. Indeed, with the efficiencies that could be realized from increased competition among banking, securities, and insurance providers under this legislation, the Treasury Department has estimated that consumers may ultimately save as much as 5 percent—or $15 billion per year in the aggregate.

This monumental legislation is good for consumers and it is good for America.

At this time, I would like to commend Rules Committee Chairman DAVID DREIER for his work on the compromise language for Title IV, and take a few moments to clarify this language.

The Title IV of the Dreier substitute amendment to H.R. 10 requires that certain companies with nonfinancial activities that propose to acquire control of a savings association must notify the Board of Governors of the Federal Reserve in the same manner as a notice of nonbanking activities is filed with the Board under section 4(j) of the Bank Holding Company Act of 1956. This notice would be in addition to the application that is already filed with the Office of Thrift Supervision. The Federal Reserve would have the opportunity to review and take action on the notice prior to the applicable time periods under section 4(j).

The Federal Deposit Insurance Corporation and the Office of Thrift Supervision have testified that affiliations between commercial companies and thrift institutions have not been a cause for regulatory concern.

Thus, we do not intend or anticipate that the Federal Reserve Board will treat the affiliation of commercial companies and savings associations as giving rise, per se, to undue concentration of resources, anti-competitive effects, conflicts of interest or unsound banking practices.

Rather, it is intended that the Federal Reserve Board will examine proposed transactions for unusual or extraordinary circumstances that would have an adverse effect on a subsidiary savings association that outweighs the public benefits of the transaction.

Again, as a member of the House Banking Committee, I urge my colleagues to support this legislation.

Mr. LAFALCE. Madam Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. BENTSEN), a distinguished member of the committee.

Mr. BENTSEN. Madam Chairman, this is, overall, a pretty good bill. It starts to bring statutory law up to pace with where the marketplace is. The markets, the financial markets in the United States, are the strongest in the world, but the laws governing them are greatly outdated.

As a result of financial disintermediation in the markets, we now see different industries, banking and securities, securities and insurance, banking and insurance. It is time to catch up with that.

This bill goes a long way in getting there. It does not create the perfect holding company model, the perfect financial holding company model, but it goes a long way to get there. I am very much appreciative that we have included the operating subsidiary language, allowing banks to decide what model they want to have, whether a national bank or a holding company. I think this is very safe and sound.

In fact, one of my previous colleagues mentioned that the chairman of the Federal Reserve even said that there was no safety and soundness issue; at least 2 years ago he said that. Then he entered into a turf battle and changed his position, but he has been known to change his position before.

I think this is overall a good bill. There are a couple of problems with it. Unfortunately, I think we are going backwards in putting restrictions on unitary thrifts. We are bringing the Federal Reserve into regulation of unitary thrifts where they have never been before. I offered amendments in committee that would have addressed that in a proper way, either with the FDIC, which has regulatory authority, or bringing the OTS in. Unfortunately, the committee did not accept it.

It is ironic again that we made in order the Burr amendment which goes the other direction for certain entities but we take it away from thrifts.

Madam Chairman, thank you for giving me this opportunity to discuss H.R. 10, financial modernization legislation. As a member of the House Banking Committee, I strongly support this legislation and urge my colleagues to support it. I believe that this comprehensive banking reform legislation will bring new benefits to consumers by encouraging competition between banking, securities, and insurance firms to create a "one-stop" shopping for consumers.

Our markets today in the United States are the strongest financial markets in the world and provide a robust market system for consumers. Yet, our system has been restrained by the Glass-Steagall law that requires financial companies to separate their banking, securities, and insurance companies into different companies. By repealing Glass-Steagall, Congress will bring new competition to financial services so that consumers can purchase more products. The net effect of this legislation will be to promote more competition, create more products at lower prices, and better protect American consumers. It allows federal law to catch-up to the fast paced structural changes occurring in the financial marketplace.

While H.R. 10 does not necessarily produce the "ideal" financial holding company model or charter, it does repeal portions of existing regulatory constraints dating back to the Great Depression commensurate with a market that has matured greatly through disintermediation brought on by increased consumer wealth, sophistication, and access to information. This proposal should not be viewed as a repudiation of past regulatory regimes, but rather a maturing of such regimes.

While this bill is not perfect, it strikes a balance in this new marketplace. First, H.R. 10 includes multiple structures for banking entities through either a holding company-affiliate model or operating subsidiary, which I have long supported and believe is adequately safe and sound. In fact, the majority of bank regulators believe this model is in some cases more safe than an affiliated holding company structure. Second, the bill addresses in a prudent way the issue of commerce and banking through a new "complimentary to banking" approach that I hope will meet my previous concerns that an outright ban on commerce would limit future abilities to meet market demands and product development. Finally, it continues the efforts of the Community Reinvestment Act so that all sectors of our society can benefit equally from capital formation and economic development. It is important that these areas of H.R. 10 are not changed or watered down.

It is regrettable that the Rules Committee chose to strip the bill of the Lee amendment addressing "redlining" by insurance companies.

Additionally, this bill inadequately addresses an issue that I have long advocated related to the transferability of unitary thrift holding companies. In the House Banking Committee, I successfully offered an amendment that would ensure that grandfathered unitary thrift holding companies can be sold and transferred. I strongly believe that we must ensure this transferability in order to protect those unitary thrift holding companies which have existed for more than 30 years on a sound and safe manner.

Regrettably, the bill we are considering today includes a provision that would make it more difficult for these transfers to be approved. This bill would impose a new requirement that the Federal Reserve Board should review any of these mergers. I believe that this Federal Reserve Board review is unnecessary and unprecedented. As you may know, the unitary thrift holding companies are regulated on the federal level by the Office of Thrift Supervision. This new language, would for the first time, subject unitary thrifts to federal regulatory oversight by the Federal Reserve Board. I believe that this review process will prevent transfers and would lower the value of unitary thrifts holding companies. I am also concerned that the Federal Reserve will not be required

to provide a written record for their reasoning related to reviews.

I filed three amendments in the House Rules Committee that would have corrected this inequity.

Unfortunately, the House Rules Committee did not allow any of these amendments to be considered today. My first amendment, which is also jointly supported by Representatives ROYCE, INSLEE, and WELLER would strike the Federal Reserve Board review process and restore the language to the amendment that was adopted by the Housing Banking Committee by a roll-call vote. I believe that this is the best option and would ensure that transfers are reviewed by the Office of Thrift Supervision.

The second amendment which is also sponsored by Representatives ROYCE and INSLEE would substitute the Federal Deposit Insurance Corporation as the secondary reviewer in cases of unitary thrift holding companies mergers. I believe that the FDIC is better equipped to review these mergers, because they already have enforcement authority over federally-chartered thrifts and have worked well with thrifts. This amendment would also require that the review process should consider reasonable criteria related to these reviews and that the final decisions should be written so that parties would understand the reasoning behind decisions.

The third amendment which was also sponsored by Representatives ROYCE and INSLEE would add the Office of Thrift Supervision to the current Federal Reserve review process. This joint review would help to ensure that grandfathered unitary thrift holding companies mergers have a fair hearing of their cases and that all final decisions would be written. I believe that the OTS, as the principal regulatory for unitary thrifts, should be part of the final decision to approve such mergers. In a case where OTS and the Federal Reserve do not agree, this amendment would ensure that all final decisions would be written and would permit owners to apply for judicial review of any decisions made.

I believe that all of my amendments would improve the current Federal Reserve review included in this bill.

Unitary thrift holding companies have existed for more than 30 years. During the thrift crisis of the 1980's, Congress acted to encourage commercial companies to purchase insolvent thrifts. As a result, for instance, Ford Motor Company infused more than $3 billion in one thrift to prevent their failure.

Second, unitary thrift holding companies are safe and sound institutions subject to strict regulatory standards as are all federally insured thrifts. In fact, unitary thrift holding companies must meet strict standards to stay in business. Unitary thrift holding companies must meet the "Qualified Thrift Lender (QTL)" test in which they purchase and provide mortgages. As opposed to banks, unitary thrift holding companies are greatly limited in underwriting commercial loans. And, Congress has prohibited loans from unitary thrift holding companies to their non-banking affiliates. I believe that all of these safety and soundness protections ensure that taxpayers are protected.

Third, the thrift business is specialized. As of the end of 1998, there are only 547 thrift holding companies. Of these 547 thrift holding companies, only 24, less than 5% are engaged in commercial activities. If the unitary thrift holding company charter was so valuable, you would expect that many companies would be applying for this specialized charter. Yet, the evidence does not bear this out. A powerful reason that limits the number of applicants is the qualified thrift lending test and the commercial lending limits have done their job; a thrift charter is only attractive to those companies prepared to commit to residential real estate and credit card lending, and a few other forms of consumer banking. For most companies, these restrictions are sufficient to deter interest.

Fourth, nearly three-quarters of the recent holding company applicants are acceptable to critics. A total of 75 companies with non-banking interests has applied for the thrift charter since the beginning of 1997. Of those, a total of 55 firms or 73 percent is currently in the insurance and securities businesses and therefore could not obtain a bank charter under current law. However, under H.R. 10, these firms would be eligible to convert a bank charter. Indeed, the Travelers-Citigroup merger suggests that the bank charter would be preferable and they would transfer their charter once this broader bank charter is available. Travelers actually gave up its unitary thrift holding company status in favor of becoming a bank holding company and in the expectation of financial services reform legislation.

Finally, it is a question of equity. Congress allowed for the creation and growth of the unitary thrift charter in the 1960s. To retroactively close the market for those who have "played by the rules" and pose no threat to safety and soundness of the Nation's federally insured lending does not seem fair. And while H.R. 10 may provide a new financial model we should at least hold harmless those already in the program and not legislatively depreciate their value. Congress has been down that road before with limited success. Such a course deviates from the concepts of increased competition, economic vibrancy and consumer choice that inspired the pending bills.

Finally, with respect to the issue of privacy, I believe that we have structured strong, bipartisan financial privacy language which goes far beyond existing law. For the first time transfer of specific account information to third parties would be prohibited. Consumers could "opt-out" of other third party transfers and financial institutions would be required to establish a financial privacy standard for its customers. And while some questions remain with respect to the language on medical privacy, this bill still goes far beyond current law. Passing this does far more than doing nothing.

While this bill is not perfect, I strongly believe that we must act to promote more competition and provide new products for consumers. I strongly urge my colleagues to vote for H.R. 10.

Mr. BLILEY. Madam Chairman, I yield 3 minutes to the gentleman from Florida (Mr. STEARNS), a member of the Committee on Commerce.

Mr. STEARNS. Madam Chairman, H.R. 10 would modernize America's financial service industry. Now, the big debate seems to be on the privacy protection. I think this bill contains very important, very start-of-the-debate important, issues for protecting the customers of the insurance industry, the banking industry and the securities industries.

One of the most important provisions of this bill is this privacy information.

Now, during consideration of this measure in the House Committee on Commerce, many of us know the gentleman from Iowa (Mr. GANSKE) offered an amendment on health information confidentiality, a lot of debate on it. We had a lot of debate on it. We talked about it, but all of us felt that this was just the start. If we did nothing, if we could not even get this debate started and we defeat this bill today, then we are going to have no privacy.

So I think we should not let this small debate that we are having on privacy stall the entire bill, because in the end we can amend and we can work through HCFA and other places to create more privacy and perhaps more to everyone's liking.

Think about it. If we allow a bank, an insurance company, to work together and the insurance company does a check on a person's health records, how does one know that those health records could not end up in a bank? Or perhaps the bank, when applying for a loan, would use some of the information from a person's health records? So that is why I think what we offered in the full committee was important.

I was also able to have an amendment that offered the word genetic information to include in that privacy information. So I say to the Members on that side of the aisle, I think genetic information is something that also should be protected.

Now, there are a lot of people that say we are going to stop the Secretary of Health and Human Services from issuing regulations on this issue as required under the Health Insurance Portability and Accountability Act that we passed in 1996.

This language in this bill says nothing to stop the Secretary of HHS from issuing regulations on this matter. In fact, Madam Chairman, the cite reference in the bill, which is 264(c)(1), if we go to look at it, is the very language, the very language that gives authority to Health and Human Services to issue the regulations.

So, Madam Chairman, I think we should all come together. We have looked at H.R. 10 until we are blue in the face. We have talked about this. We should not let this be defeated today, trying to talk about just the privacy. I think it is a first step, so I look forward to our continuing discussion on this, and we can go back after we have passed H.R. 10 to talk about medical records and confidentiality with a separate piece of legislation.

So, in the meantime, I support the language we have in the bill today protecting all Americans, consumers, so

that their information is not inappropriately shared.

Mr. DINGELL. Madam Chairman, I yield 3 minutes to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Madam Chairman, I thank the ranking member, the very distinguished ranking member of the House Committee on Commerce, the gentleman from Michigan (Mr. DINGELL), for yielding me this time.

Madam Chairman, I think I am going to leave my printed copy just on the stand here because really I think everyone in the Chamber has their minds made up about what kind of a vote they are going to cast on this bill.

We are here as representatives for the American people. So my message to the American people, whomever is tuned in, is what is it that we are debating? What is it that we are fighting and arguing about which is so important in this bill?

First of all, this is a bill to reshape financial services and how they are delivered in our great Nation. It is an overhaul of laws that need to be overhauled because they have not been touched really since the Great Depression. So we know that there is a timeliness to this effort and an importance attached to it.

I want to raise something to the American people, and the reason why I come to the floor in my disappointment is because when I cast my votes in the House Committee on Commerce I had every intention of supporting this financial services bill.

This is not an excuse on my part, American people. I feel very strongly about this.

What brings me to the floor is the issue of privacy, financial privacy.

Now, if someone asks Mrs. Smith how much is in her money market account, her first reaction is, why should I say? It is not anyone's business.

Financial dealings and how we conduct our finances is very, very private. Who we write our checks to, where they go, whether it is to a doctor, should the bank manager know more or as much as our personal physicians? I think not. I think it is the responsibility of the House of Representatives, the House of the people, the people that are out there, to protect their personal financial privacy.

That is what I am raising in this. Regardless of what anyone else says, and whomever rises, when one reads the print, it says, we will protect their financial privacy, dot, dot, dot, with all of these following exceptions. I do not think this is good enough. I know we can do better.

I think the American consumer deserves this kind of protection. In fact, I think there is going to be like a prairie fire of objection that moves across the country on this issue, because no one would believe that their elected representative would not stand between them, the constituent, and whatever financial institutions are out there. We need them to do business with. But that our personal, private financial information be sold and dealt away and possibly used against us? Come on. We can do better than this. I would say thanks to Mr. and Mrs. America. This is what brought me to the floor.

Mr. LEACH. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. BOEHNER), who has worked on this legislation more than any noncommittee member in the history of the Congress. To him I am grateful.

Mr. BOEHNER. Madam Chairman, I rise today in support of this landmark piece of legislation. In one great cascade, it washes over decades of obsolete law, congressional inattention and regulatory creep to give us a modern and prudent legislative framework for one of our most important and dynamic industries. I believe it is the most important bill that we will debate in this Congress this year, and I strongly urge its passage.

In a bill this complex, it is easy to miss the forest for the trees, but the broad direction I think is what is most important. Our Nation's financial services sector is the irrigation system for our economy. If we remove outdated obstacles to innovation and greater efficiency in the financial services industry, we are helping our entire economy become more competitive, more vibrant and healthier.

It is important to recognize additional benefits of this legislation. By putting in place a regulatory system that actually makes sense for today's financial services industry, not the industry of 1933, we are both making the industry more internationally competitive and reducing the kinds of risks that led to bank and savings and loan failures of the late 1980s.

By giving consumers the chance to do one-stop shopping for all of their financial needs, we are giving them more control, better information and better choices for their financial needs.

Madam Chairman, this really is a superb piece of legislation, crafted with great care, with fairness and with patience. Let me say about patience, of the four gentlemen, the two chairmen and the two ranking members who I have had the pleasure to work with over the last 3 years on this legislation, this is a great example of how the Congress can work, when we agree on what the goals are and we work together and work through all types of objections. The gentlemen that I have just pointed out deserve a great deal of credit for a job well done.

Mr. LAFALCE. Madam Chairman, I yield 1½ minutes to a distinguished member of the committee, the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Madam Chairman, I would like to thank my distinguished ranking member, the gentleman from New York (Mr. LAFALCE), and the committee chair, the gentleman from Iowa (Mr. LEACH), for all of their hard work that they have done on this bill.

I rise today in support of H.R. 10, which, in fact, is good for the ordinary citizen and, in fact, does provide more privacy protection than they have ever had before. This bill uses the House banking bill as its text base, which passed the Committee on Banking and Financial Services 50 to 8. It had support of Democrats, Republicans and the administration, who took painstaking work on this particular piece of legislation to strike a compromise that is also supported by a diverse sector of the financial services industry.

After 15 years of moving the ball down the field, it is time we put it over the goal line. This bill preserves the Community Reinvestment Act, which has brought billions of dollars of investment into our underserved urban and rural communities and encompasses important consumer protections.

While we may hear otherwise today, this bill has good privacy measures in it. Today we have the opportunity to support an amendment that would make those privacy sections even better. With the passage of a strong privacy measure, I urge my colleagues to vote yes on H.R. 10.

Madam Chairman, this bill strengthens the safety and soundness of our financial institutions. This bill gives consumers one-stop shopping. This bill gives consumers better privacy protection. This bill saves consumers money. This bill is good for the economy. Let us pass stronger privacy amendments. Let us put the ball over the goal and pass H.R. 10 today.

□ 1745

Mr. BLILEY. Madam Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. LEACH) for purposes of control.

Mr. DINGELL. Madam Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, the proponents of this bill say they have increased privacy protection for health records, but in fact, every independent expert that has reviewed the legislation has reached exactly the opposite conclusion.

The medical record provisions in H.R. 10 are opposed by physician organizations like the American Medical Association and the American Psychiatric Association. They are opposed by

nurses' organizations, like the American Nurses' Association. They are opposed by patients groups, like the National Association of People with AIDS and the Consortium for Citizens With Disabilities, and they are opposed by privacy experts, like the Consumer Coalition for Health Privacy and the ACLU.

Why have they reached that conclusion, when the other side on this issue say they have put something in the bill to protect medical privacy? They have a provision saying an organization cannot give out information without the consent or the direction of the customer, but then they have this huge exception.

They can, however, give it without ever asking the customer to insurance companies, who then can keep a whole database on a lot of people's medical records. They can give it to people participating in research projects. It does not say it is a scientific research project. Anybody could say they have a research project and therefore they get the medical data, and these groups can then turn around and sell it. There is no restriction on them whatsoever from further disseminating our personal medical records.

This idea that we have to give our consent is not very convincing when an insurance company can say to us that in order to get insurance, we have to sign a waiver that will allow them to do whatever they want with our medical records, or we go without insurance.

I feel that this provision is a step backwards. The proponents say they are following a democratic process. In fact, they snuck the medical records provision into the legislation like a midnight prowler, to use the words of the Los Angeles Times. There have been no hearings on the implications of what we are doing.

In fact, we are not even allowed to offer amendments to this provision. Under the rule, the gentleman from California (Mr. CONDIT), who has been working on health privacy issues for 10 years, was even denied a motion to strike.

It would be better to strike all the medical provisions, privacy provisions that are in this bill out because they do such a disservice to the idea that we are protecting people's privacy.

In 1949 George Orwell wrote a chilling novel called 1984 about a society that denied its citizens privacy. It is 15 years later than Mr. Orwell predicted, but today 1984 is becoming a reality. Doublespeak reigns in this House, and Big Brother in the form of all-knowing financial conglomerates is being brought to life.

I urge my colleagues to vote against the bill because of this provision alone.

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Madam Chairman, we have heard that we should should not make the perfect the enemy of the good. We have some people, I believe, who would like to make the perfect the enemy of the very, very, very good.

We are about to set history here. This body has attempted to pass and enact into law reform of our financial services industry for I understand a decade and a half, and we have a product that the vast majority of stakeholders agree on.

The medical privacy provisions happen to be something that I am very interested in as a physician, and I believe the language in this bill is pretty good. Can it be made better? Yes. As a matter of fact, we put provisions in the language that say if the administration passes regulations that are stronger, these provisions expire. We have language in there that says if this body enacts legislation signed by the President that is stronger, these provisions expire.

So to oppose this bill now, at this point, when we have an extremely good product here, a very, very good product on this to me is a tremendous disservice. I believe that all of our colleagues on both sides of the aisle should support this, because this is extremely good for America.

Mr. LAFALCE. Madam Chairman, I yield 1 minute to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Madam Chairman, financial modernization is already occurring in this country, and is here to stay. However, burdensome regulatory barriers are hindering the efforts of our financial institutions to compete globally through the development and delivery of new financial products. This only exacerbates or makes worse the problems within the financial services industry.

The bottom line is simple: Financial modernization is necessary and will continue in this country as a result of market forces, even in the absence of any sort of legislation. However, the success of American firms and ultimately the strength of our economy is going to depend upon passing a good bill, one that will ensure that financial modernization occurs in an efficient manner, and protects the interests of consumers as well as the safety and soundness of our financial industries.

But as we debate these important issues, we must remember community banks. People trust community banks. They know their community bankers. We have recognized these institutions as an integral part of rural America. We must not overlook them or jeopardize their future in any way as we undertake this monumental legislation.

I believe this bill addresses the needs of Main Street as much as Wall Street, and I urge Members to cast their vote in support of this important legislation.

Mr. LEACH. Madam Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY), who has worked so diligently on this bill.

Mrs. KELLY. Madam Chairman, I thank my good friend, the gentleman from Iowa (Mr. LEACH) for yielding time to me.

Madam Chairman, I rise in strong support of H.R. 10. I would like to take just a minute to talk about the provision in H.R. 10 regarding NARAB, the National Association of Registered Agents and Brokers.

Under NARAB, States would be encouraged to streamline insurance agent and broker licensing laws, creating reciprocity, uniformity, and eliminating protectionist residency barriers. The NARAB provisions have been designed to bring true modernization to insurance licensing, and it is something that I believe that we really do need to have in the United States of America today.

It is for the commonsense provisions in H.R. 10 like NARAB that we all need to join together in support of H.R. 10.

Madam Chairman, I rise in strong support of H.R. 10. We have been hearing the debates so far mostly focus on the more controversial sections of the bill. Many of the benefits of H.R. 10 have been heralded here today because they represent breakthroughs on issues that have been contentious and seemingly irreconcilable for many years. Yet there are other modernization provisions which are extremely valuable, but have not been highly publicized because they have been essentially non-controversial. I'd like to specifically point to the provisions regarding NARAB—the National Association of Registered Agents and Brokers.

Under the NARAB subtitle of Title III, states would be encouraged to streamline insurance agent and broker licensing laws—creating reciprocity, uniformity, and eliminating projectionist residency barriers. If a majority of states fail to enact reciprocal licensing laws within three years of enactment of this legislation, NARAB would be created as a uniform, agent/broker licensing clearinghouse governed by state insurance regulators.

I'd like to thank the bipartisan leadership of both the Banking and Commerce Committees for including this provision in H.R. 10. Since I raised this issue in the Banking Committee in 1997, the National Association of Insurance Commissioners and individual states have significantly ratcheted up their efforts to achieve licensing reform. For many years prior, there were attempts to ease the burden and unnecessary costs associated with multi-state licensing. But those attempts failed to keep pace with consolidations in the insurance industry, along with increasing financial services consolidation and globalization of insurance markets. The NARAB provisions have been designed to bring true modernization to insurance licensing laws, in keeping with functional state insurance regulations.

Perhaps the most gratifying development on the licensing front in recent months has been the increasing acceptance of NARAB by the

NAIC as a good incentive for licensing reform. NAIC President George Reider, Kentucky Commissioner George Nichols, North Dakota Commissioner Glenn Pomeroy and others have been doing a superb job in elevating uniform and reciprocal licensing on the agendas of individual state legislatures. They understand that barriers to competition from out-of-state insurance agents and brokers is incompatible with today's integrated financial institutions marketplace. Their commitment to reform is real, and NARAB will be the assurance their efforts will ultimately succeed.

Currently, there is no counterpart NARAB provision in the financial services bill approved by the other body, and I look forward to working with congressional conferees to assure that these important licensing reforms can be achieved in the context of broad modernization legislation.

It is for these common sense provisions that we all must join together in support of H.R. 10.

I want to take a moment to thank Chairman Leach for his superior leadership in steering H.R. 10 through committee. It was because of his patience, thoughtfulness and considerable knowledge of the financial service industry that this legislation has come to the floor with a strong bipartisan support it now has. The gentleman from Iowa has also had the assistance of an excellent staff at his side to assist his considerable efforts. Just to name a few, Tony Cole, Gary Parker, Laurie Schaffer and Alison Watson. There are so many more but I haven't the time to name them all. Chairman Leach really does have the highest standards for his staff and they have all lived up to those standards set by the Chairman.

Secretary Rubin estimates that passage of this legislation will save consumers $15 billion a year. The efficiencies created by this legislation will allow financial institutions to stop wasting time and money complying with out of date laws written in the 1930's and enable them to better serve their customers in the 21st century.

H.R. 10 comes before us with the strong support of both parties and the administration. Let's join together in ensuring that we preserve this agreement by passing this rule with a strong bipartisan vote. I thank the gentleman from California and his colleagues on the Rules Committee for their good work on the rule and ask all of my colleagues from both sides of the aisle to join me in voting for legislation years in the making that will improve the lives of all Americans, H.R. 10.

Mr. LAFALCE. Madam Chairman, I yield 1½ minutes to the gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON. Madam Chairman, I would like to thank the ranking member for yielding me the time to engage the chairman of the committee, the gentleman from Iowa (Mr. LEACH) in a colloquy.

Madam Chairman, I would like the chairman's clarification with respect to section 351 relating to the medical information confidentiality provisions.

The rule report on page 371, line 7, subparagraphs 1, 2, and 3, I read each as several separate clauses, and that following clause 1 and before clause 2 there is an implied ''or'' that indicates that each of these is to be read as separate clauses.

Mr. LEACH. Madam Chairman, will the gentlewoman yield?

Ms. CARSON. I yield to the gentleman from Iowa.

Mr. LEACH. The gentlewoman has raised a very important point. I fully concur in her interpretation. That is exactly correct. I think it is an important clarification for the RECORD.

Ms. CARSON. Madam Chairman, I appreciate the gentleman's comment.

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. SWEENEY).

Mr. SWEENEY. Madam Chairman, I thank the chairman for yielding time to me.

Madam Chairman, I joined the Committee on Banking and Financial Services, and my desire is to help spur economic growth in my congressional district in upstate New York. In my mind, today is a historic step in that direction. I am very proud to fully support H.R. 10, because financial services provide the basis for private investment in new business that creates jobs.

We here in Congress have the responsibility to ensure that our financial services law reflects and therefore does not stifle the level of innovation and service in the financial services marketplace.

We have a responsibility to ensure that all participants in the marketplace, from security brokers to community banks to independent insurance agents, are given the opportunity to compete and thereby provide the best service to our constituents.

So I urge support for this bill, H.R. 10, and confirm this House's commitment to that responsibility.

Madam Chairman, I rise in strong support of H.R. 10 and commend the hard work of its sponsors.

I joined the Banking Committee based on my desire to spur economic growth in my Congressional district in Upstate, NY—by providing businesses and entrepreneurs with the access to capital to create new jobs. Therefore, I am pleased to speak in support of this important legislation.

Financial services provide the basis for private investment in new business that create jobs, for the protection of people's hard-earned assets from catastrophic loss, and for the ability of Americans to save and effectively plan for their retirements.

Given the importance of financial services as the base for our economy, Congress has many responsibilities to ensure that our laws are responsive to the everyday function of these essential markets.

We have a responsibility to ensure that our laws reflect, and therefore do not stifle, the level of innovation and service in the financial services marketplace.

We, as a Congress, have a responsibility to oversee those laws to ensure that consumers are treated fairly in the marketplace, protected from fraud and other potential abuses.

We have a responsibility to ensure that all participants in the marketplace—from securities brokers, to the community banks, to independent insurance agents—are given the opportunity to compete and thereby provide the best possible service in the world.

H.R. 10 confirms this House's commitment to these responsibilities.

I commend the work of the Chairmen and the Ranking Members.

I urge your support of the bill.

Mr. LAFALCE. Madam Chairman, I yield 1½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Madam Chairman, I would like to engage the managers from both sides, if I might, in a colloquy.

Mr. Chairman and Mr. ranking member, I first want to express my appreciation to you for the hard work that you and your colleagues have put into the drafting of this complex and necessary piece of legislation.

I am a former member of the Committee on Banking and Financial Services, and I am well acquainted with the difficulties that have to be overcome just to bring a financial services modernization bill to this floor. I do have a concern, however, that I hope the gentlemen will spend some time addressing before bringing a conference report back to the House.

The National Association of Insurance Commissioners and North Carolina's Insurance Commissioner, Jim Long, have expressed to me a concern with section 104 of this bill. This is a section that describes under what circumstances State insurance law should be preempted in order to ensure that financial institutions are not discriminated against.

I know there are differing interpretations of this section as to what sorts of State laws might be preempted. For example, North Carolina just passed a Patients' Bill of Rights. This is legislation that is very important to our citizens. I hope the gentlemen can assure me that it is not the Committee's intention in this bill to allow financial institutions that provide insurance products to be exempted from this law or other important consumer protection statutes.

If there are remaining problems or ambiguities that need to be cleared up, I hope the gentlemen will work during the conference to clarify in what situations State insurance law should and should not be preempted by this bill, and to make sure that functional regulation and vital consumer protections are not compromised.

Mr. LEACH. Madam Chairman, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentleman from Iowa.

Mr. LEACH. Madam Chairman, let me say to the gentleman that the major intent of the law is to maintain functional regulation, and the major intent of the law is to have State regulation and law apply without discrimination.

Mr. LAFALCE. Madam Chairman, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentleman from New York.

Mr. LAFALCE. Madam Chairman, I share the judgment of the chairman on this particular question. That certainly is our intent, to prohibit discriminatory action and to preserve the maximum amount of consumer protection.

With respect to a State's Patients' Bill of Rights, I strongly support a Federal Patients' Bill of Rights, and to the extent that the State has acted similarly or more strongly, we would want to give deference to such a bill of rights.

Certainly to the extent that it might need clarification, I am not sure that it does, we would attempt to clarify that.

Mr. PRICE of North Carolina. I appreciate the gentlemen's assurances, both the chairman and the ranking member, that it is not the intent of this bill as drafted to compromise these essential consumer protections, many of them administered by State insurance commissioners, and that if there is any remaining ambiguity, that that will be attended to in conference.

□ 1800

Mr. BLILEY. Madam Chairman, I continue to reserve the balance of my time.

Mr. DINGELL. Madam Chairman, I continue to reserve the balance of my time.

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from Texas (Mr. PAUL), one of the most thoughtful philosophers of the United States Congress.

Mr. PAUL. Madam Chairman, I will take my one minute to address the subject of privacy, because I do have an amendment that I think would improve the protection of privacy.

We have had a lot of talk and indication on this side of the aisle about protecting privacy. But I believe the understanding of what our role is in protecting privacy, if it applied across the board, would mean that politicians and political action committees could never rent a list from the Sierra club or the American Civil Liberties Union.

But I am addressing the subject of Know Your Customer. At the same time we hear these declarations for protection of privacy, we hear from the same people that we cannot get rid of Know Your Customer.

Now, if one wants to really find something where one invades the privacy of the individual citizen, it is this notion that the Federal Government would dictate a profiling of every bank customer in this country; and then, if that customer varied its financial activities at any time, it could be reported to the various agencies of the Federal Government. Now, that is privacy. That is what we have to stop. I ask for support for my amendment.

Mr. LAFALCE. Madam Chairman, I yield 2 minutes to the very distinguished Member of the committee, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Madam Chairman, I thank the gentleman from New York for yielding me this time. It is long past due that we have a bill that brings our financial services into the 21st Century.

We should be able to compete with other industrialized nations where financial institutions have been allowed to merge and bring a wide variety of products and services to their customers. The bill allows the law to catch up with the reality of the international merger movement.

Some of these mergers have taken place on the probability that Congress will finally act so that financial services will no longer be hamstrung by outdated restrictions of the 1930s. The bill allows financial institutions to merge, but prevents banks from merging with commercial businesses, and it requires functional regulation.

The Committee on Rules has changed what came out of our Committee on Banking and Financial Services with tremendous bipartisan support. I thank the gentleman from Iowa (Chairman LEACH) and the gentleman from New York (Mr. LAFALCE), the ranking member, for their leadership.

Many of these changes are inappropriate and wrong, such as the medical privacy provision, and they should be changed in conference. While I will vote for this bill so that it can go to conference, my final vote will be contingent on a bill that has strong privacy provisions.

Also, we should be cognizant that the President will veto any bill that does not contain strong CRA provisions, which I also fully support, and are in the House bill.

Mr. BLILEY. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, I want to take a moment first to recognize the hours and hours of hard work contributed by my finance staff team, Linda Rich, David Cavicke, Robert Gordon, Brian McCullough, and the trusted clerks, Robert Simison and Mike Flood.

They were joined by diligent efforts of the minority staff, Consuela Washington and Bruce Gwinn. These professionals performed above and beyond the call of duty, and the committee is in their debt.

Glass-Steagall, Madam Chairman, was passed in 1933 in reaction to the financial markets crash in the Great Depression. Those were extreme times, and the American people demanded extreme measures to rescue them from continuing economic crisis.

Just two years after Glass-Steagall was enacted, the law's primary architect, the gentleman from Virginia named Carter Glass, realized that Congress had gone too far, and he began an effort to undue the damage that had been done.

Carter Glass may have been the first Congressman who tried to reform Glass-Steagall, but he was not the last. In just the last 20 years, there have been 11 efforts to modernize these archaic laws.

Last term, the Committee on Commerce Republicans and Democrats worked with the Republican leadership of the Committee on Banking and Financial Services to pass Glass-Steagall on the House floor for the first time ever. I strongly supported that bill and was disappointed that it faltered in the waning days of the Senate.

Today is a historic day. We join together here in the House to approve legislation that is long overdue, and we are in a stronger position than ever before to achieve our goal of modernizing financial regulation in America.

Every step of the way we were opposed by lobbyists and special interest groups who said it could not be done. But we heard the concerns of the American people about all of these megamergers. We heard the concerns of the local businessmen who want to compete, but have one hand tied behind their backs by the archaic Glass-Steagall restrictions. We heard from the Federal and State financial regulators who emphasized the need to protect consumers and preserve the safety and soundness of our financial system.

It is a testament to the will of the American people that we have heard their concerns and are here today to pass legislation to protect the future.

The legislation protects American investors by ensuring that the rules for securities sales will be the same for everybody, no matter where the securities activities take place. That means that investors will be assured of the protections of the Federal securities laws, even when they purchase securities in a bank, a protection investors do not enjoy today.

The bill also treats the thrift industry fairly, by preventing future expansion of the unitary thrift system, while protecting the ability of existing thrifts to raise capital from the commercial markets. This is an important win for American homebuyers who have relied on the thrift industry to realize their American dream of homeownership.

This bill provides a better structure for regulating the financial marketplace in the 21st Century. I look forward to further strengthening that structure as we go to conference, by eliminating the operating subsidiary and improving insurance consumer protections.

Our financial system has not been modernized since the Great Depression. Federal regulators have been forced to invent highly questionable and unauthorized make-shift regulations to try

and shoehorn an archaic legal system into the modern world. It must be fixed. It must be fixed by Congress, not some unelected special interest regulators.

H.R. 10 is the solution, and I am proud we are at the bridge of achieving another historic accomplishment for the American people.

Beginning with the seminal efforts from the gentleman from Virginia in 1935 to repeal the Glass-Steagall barriers to competition, Congress has had neither the will nor the vision to open our financial markets to full competition.

Mr. DINGELL. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York (Mr. TOWNS).

Mr. TOWNS. Madam Chairman, I would like to begin by applauding the leadership on both sides of the aisle in terms of the gentleman from Virginia (Mr. BLILEY), the chairman of the committee, and, of course, the gentleman from Ohio (Mr. OXLEY), the chairman of the Subcommittee on Finance and Hazardous Materials, and, of course, the gentleman from Michigan (Mr. DINGELL), the ranking member on the Democratic side for all their hard work. A lot of work and time and effort has gone into this, a lot of hearings and all of that.

But I come today to say that I am concerned. First, I am concerned about the privacy issue. I am very concerned about that. I am also concerned about the behavior of the Committee on Rules. I think that we want to be open and want to have the democratic process, but when the Committee on Rules just makes decisions to drop out things just because they have the ability to drop them out, without having a discussion on them, I think that it does not serve this body well. It does not serve the American people well. I am hoping that the Committee on Rules will take another look at that and not continue to behave in that fashion.

This is not a perfect bill, but it is a step in the right direction. I think that it will make us internationally competitive, which we need to do. The time has come when we need to stop vacillating and to begin to do the right thing, as my constituent Spike Lee says in Brooklyn.

I am very happy that at least the CRA provision, in terms of the fact Community Reinvestment Act is very important, that they had the common sense and good sense to leave that in there. They did not eliminate that. I want to applaud the Committee on Rules for that because, I will be honest with my colleagues, any bill that does not have the Community Reinvestment Act in a strong way in it, I could not vote for it in any way. So I am happy that at least that part is there.

But to conclude, let me say that I am hoping that some of the problems that still exists with this legislation that we will correct it in conference.

Mr. LEACH. Madam Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. BARTON), a distinguished member of the Committee on Commerce.

Mr. BARTON of Texas. Madam Chairman, I thank the distinguished gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services.

Madam Chairman, I am standing on the Republican side to express some of the same concerns that have been expressed on the Democratic side about the inadequacy about the privacy protections in the bill that is pending before us.

I want to commend the gentlewoman from Ohio (Ms. PRYCE) and the gentleman from Ohio (Mr. GILLMOR) and others on the Republican side for beginning to address the issue.

Sadly, we have not gone as far as we should go. We are about to enter a brave new world where financial institutions offer large ranges of services, not just checking account balances and savings account balances. That is good. That is going to provide additional choice and additional products for the American consuming public.

In the bill before us, if the Oxley amendment is adopted, we are going to protect privacy in most cases for third-party transfers outside the affiliate structure with some exceptions. We are going to allow, within the affiliate structure, transfers with disclosure.

My opinion is, if it is a necessity to provide privacy for third-party transactions outside of the affiliate structure, it is just as much a necessity to provide that same opt-out provision within the affiliate structure, given the fact that the very reason the bill is before us is because we want to have these financial service conglomerates.

I had offered, with the gentleman from Massachusetts (Mr. MARKEY), a modified version of his amendment that was adopted on a voice vote by the full Subcommittee on Energy and Power and Committee on Commerce. That was not made in order by the Committee on Rules. I think that is unfortunate.

I voted for the rule even knowing that my amendment had not been made in order. I have spoken with the Speaker and the majority leader, and I have their assurances that these privacy issues will continue to be addressed.

I am sure that the gentleman from Iowa (Chairman LEACH) and the gentleman from Virginia (Chairman BLILEY) share these same assurances.

But I want to let the body know that this concern about privacy is not specifically a Democrat concern or Republican concern, it is concern for all Americans. It is not going to go away, and we will have to address it as this bill moves forward in the conference if it passes the House.

Madam Chairman, I yield to the gentleman from Iowa (Mr. LEACH) if he wants to make a comment.

Mr. LEACH. Madam Chairman, I would just like to stress there is no intent in this bill to jeopardize any confidences associated with doctor-patient relationships nor the privacy protections currently afforded any medical records. Indeed, the intent is to strengthen those protections. To the degree that more precision in this area is required, this gentleman is prepared to work in conference to ensure that that occurs.

Mr. BARTON of Texas. Madam Chairman, I appreciate that pledge, and I will work with the gentleman.

Mr. LAFALCE. Madam Chairman, I yield 30 seconds to the gentleman from Texas (Mr. BARTON).

Mr. BARTON of Texas. Madam Speaker, I am just flattered to continue to be yielded time.

I yield to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Madam Chairman, it is my expectation that the bipartisan amendment that was drafted with the gentlewoman from Ohio (Ms. PRYCE), the gentleman from Texas (Mr. FROST), myself, the gentleman from Iowa (Mr. LEACH) and others, and that a motion to recommit that will be offered that will take whatever this body works its will on and then simply takes the Markey-Barton amendment and a provision striking the medical privacy provisions that my colleague is concerned about, and that will be in the motion to recommit. So the gentleman will have an opportunity to vote on exactly what he expressed concern about.

Mr. BARTON of Texas. Madam Chairman, I look forward to that opportunity.

Mr. LAFALCE. Madam Chairman, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), the distinguished ranking member of the Subcommittee on Capital Markets, Securities, and Government Sponsored Enterprises.

Mr. KANJORSKI. Madam Chairman, I thank the ranking member for yielding me this time.

Madam Chairman, I will take just one second to congratulate the gentleman from Iowa (Chairman LEACH) and the gentleman from New York (Mr. LAFALCE), the ranking member, on a job well done, a number of years that everybody slaved over this. It is not a perfect bill, but I think we should support the bill and move it on to conference.

Now, I would like to engage in a colloquy with the gentleman from Louisiana (Mr. BAKER). Madam Chairman, I rise to engage in a colloquy with him about the Federal Home Loan Bank provisions contained in H.R. 10. As he will note, and as we have worked over

the years, will there be an understanding that he and I will work in conference together to address issues to appropriately revise the REFCorp payments, put a cap on the class B stock that can be counted toward meeting the risk-based capital requirement, and that we should determine who should issue debt for the system, and finally to work on the issue advanced base stock purchase requirements for non-QTL members?

Madam Chairman, I yield to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Madam Chairman, I certainly appreciate the gentleman's interest and wish to express my full cooperation on these matters and others that will be before us on the Federal Home Loan Bank. I congratulate the gentleman from Pennsylvania and thank him for all his courtesies and cooperation over the year in making this a reality.

Mr. KANJORKSI. Madam chairman, I want to thank the gentleman from Louisiana (Mr. BAKER) for his commitment to address these issues in conference.

□ 1815

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Madam Chairman, I thank the gentleman for yielding me this time, and in this colloquy with the chairman I would just say that it is this Member's understanding that H.R. 10 would not alter the definition of a diversified savings and loan holding company. Is this correct?

Mr. LEACH. Madam Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Iowa.

Mr. LEACH. The answer to the gentleman's question is, yes, that is correct.

Mr. BEREUTER. I thank the chairman. In particular, it is this Member's understanding that under H.R. 10 insurance revenues will still not be deemed to be banking related for the purposes of determining whether a savings and loan holding company qualifies as diversified. Is this correct?

Mr. LEACH. If the gentleman will continue to yield, the answer to that question is also yes, that is correct, sir.

Mr. BEREUTER. Madam Chairman, I thank the gentleman for his comments.

Mr. LAFALCE. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Madam Chairman, as a freshman congressman representing the financial capital of the U.S., I rise today in support of H.R. 10.

Madam Chairman, currently our financial services industry is governed by outdated laws and regulations which are costly and inconvenient to consumers and which have put the industry at a competitive disadvantage in the global marketplace.

Modernizing these outdated laws is needed to bring about the real benefits available to the millions of Americans who use financial services and to allow U.S. financial firms to remain the predominant force in global markets.

Madam Chairman, this legislation strikes a critical, unprecedented balance by providing a new financial services infrastructure aimed at keeping the United States competitive in the global marketplace while ensuring quality services and protections for consumers and communities.

Madam Chairman, I know many of my colleagues are disappointed that stronger privacy language was not included to protect the confidential medical and financial information of consumers. I understand and agree with their disappointment that the Committee on Rules did not rule in order many Democratic-sponsored amendments to protect consumers.

The underlying Banking Committee version is a good bill. Let us not lose sight of what we are trying to do.

Madam Chairman, we simply cannot afford to wait any longer to create a modern framework for U.S. financial corporations and our Nation's capital markets.

Failure to act now on financial services reform would send a terrible message to global financial markets, and constitute a clear danger to U.S. economic leadership in the world and so I strongly urge my colleagues to support passage of H.R. 10.

Mr. LEACH. Madam Chairman, I yield 1 minute to the gentleman from Delaware (Mr. CASTLE), the former chairman of the Subcommittee on Domestic and International Monetary Policy.

Mr. CASTLE. Madam Chairman, let me just congratulate the gentleman from Iowa and the gentleman from New York for the wonderful and extraordinary work they have done on this. I rise in strong support of H.R. 10, the Financial Services Modernization Act of 1999, and I urge my colleagues to seize the opportunity to pass this historic legislation.

This legislation is not just years overdue, it is decades overdue. H.R. 10 will allow the marketplace to give American consumers more products and better choices to build a better financial future for them and their families. H.R. 10 will give American banks, insurance companies and insurance firms the opportunity to compete fairly in the international marketplace.

We are finally close to achieving the overdue goal of financial modernization. The President is ready to work with us to enact a law. We cannot falter now. This legislation will benefit American families and American business and maintain sound regulation. Seize this great opportunity. Pass H.R. 10. Let us move our financial laws out of the 1930s and into the next century. Vote ''yes'' on H.R. 10. It means a better future for our Nation.

To say that this legislation is long-overdue is a tremendous understatement. It is not just years overdue. It is decades overdue. Past attempts to pass financial services reform often failed because one industry group or another felt that past bills put them at a disadvantage.

While this legislative struggle has been going on, our constituents have been looking for new, efficient and affordable products to give their families financial security. We are long past the days when people were satisfied with a simple savings account or life insurance policy. Most Americans want to maximize their earnings and to find products that will give them the best return.

The financial services marketplace has been struggling to meet consumers needs within a regulatory structure that was created in the 1930s and 1950s.

Our Nation's banking, securities and insurance laws must be updated to face the challenges of the next century.

Over the past three years, Congress has moved ever closer to the goal of legislation that will benefit consumers and fairly balance the divergent interests of banks, insurance companies, insurance agents, and securities firms, as well as the federal and state regulators that oversee these industries.

As a member of the House Banking Committee, I have been directly involved in the work to modernize our financial services laws since I came to Congress in 1993. I have to tell you it has been a difficult struggle to balance the competing interests of the banking, securities and insurance industries.

The legislation before us today, while not perfect, has finally won the endorsement of all major industry groups.

Now is the time to act. We must do this to benefit consumers who need a variety of financial products to help them plan for their economic futures. In addition, we must update these laws to allow our financial services providers to compete effectively in the next century.

The most important reason for supporting this legislation is that it will benefit every American seeking to improve their family's financial security by saving and investing more. This legislation will help them achieve that goal by making more savings and investment products available in one-stop shopping at competitive prices. In addition, the bill contains important disclosure and sales standards to protect consumers as they shop for these products.

This legislation will help consumers, but it will also benefit the businesses seeking to provide these financial products. It will enable banks, insurance companies and securities firms to affiliate and operate more competitively on a level playing field. It will expand the products that these financial services firms can offer to their customers, while maintaining adequate regulation to preserve the safety and soundness of the system.

Madam Chairman, as part of the long deliberations seeking to treat all financial services providers fairly, I have been particularly interested in assuring that national banks are permitted to compete fairly in selling and underwriting insurance products. Bank sales and underwriting of insurance will be good for competition and good for American consumers.

To be candid, the provisions in this legislation regarding banking and insurance are not perfect. I am sure representatives of the banking and insurance industries can tell you how they believe the provisions can be improved, but the fact of the matter is we have a workable compromise that will protect consumers and allow for improved and fair competition in how insurance is sold and underwritten by banks and their new affiliates.

Madam Chairman, on this floor last year, I said to my colleagues that this is historic legislation that has been a longtime in coming. That statement is more true than ever.

Overall, H.R. 10 is a well-crafted effort to make our financial services system ready for the 21st century and to meet the needs of American consumers and business.

This is our best opportunity in years to bring our financial laws out of the past and into the next century. The Senate has finally passed its own legislation and the President is ready to join us in enacting this legislation.

Every American who has a bank account, a mutual fund, or an insurance policy will have new opportunities and choices to help build financial security for their families. I urge my colleagues to take this historic step and pass H.R. 10 today.

Mr. LAFALCE. Madam Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has 1¼ minutes remaining.

Mr. LEACH. Madam Chairman, I yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Madam Chairman, I rise in support of H.R. 10 and thank the gentleman from Iowa for the opportunity to speak.

As a freshman member of the Committee on Banking and Financial Services, I was privileged to help produce in committee a bipartisan bill that will modernize our Nation's banking, insurance and securities industries. Over the past months I have heard from hundreds of my constituents in support of this monumental legislation.

H.R. 10 allows broad new affiliations among banks, securities and insurance companies. As our Nation and the world have progressed technologically, the distinctions between financial fields have eased. H.R. 10 reforms the outdated laws and regulations that add cost and inconvenience to consumers and restrict their choices for financial services.

Madam Chairman, H.R. 10 will allow our Nation's financial institutions, security companies and insurance industries to compete in the global marketplace. I am pleased that the Committee on Banking and Financial Services and the Committee on Commerce overwhelmingly approved this legislation. I hope that any snafus can be worked out in the near future, and I urge the support of the whole House.

Mr. LEACH. Madam Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Madam Chairman, I thank the gentleman for yielding me this time; and I wish to extend my appreciation and congratulations on the job the chairman has done over the decade. He has committed himself to the goal of financial modernization. I do not think without his persistence this evening would have been possible.

I wish to speak tonight directly to the issue of what is in this bill for the small town bank. With all the discussions about op-subs, opting out, and privacy issues, there are a great deal of concerns that affect many people, but when it comes to the 9,000 small institutions across this Nation, I think it is important to point out that they are struggling like any other small business to survive. Often their product, money, is hard to come by. As banks merge and acquire one another, small town banks do not often have the partner down the street that can take part of that loan and help them extend credit in the local community.

The Federal Home Loan Bank provisions in this legislation provide an extraordinary new opportunity for small town banks. For banks in asset size under $500 million, which is about 85 percent of the banks in America, they can now go to the Federal Home Loan Bank and get credit. And get this: Fixed interest rates for up to 15 years; and now for small business and agricultural lending purposes.

With the passage of H.R. 10, we are opening up small town America banks to the Federal Home Loan Bank credit window and giving them the opportunity to meet the needs of working people, small businesses and farmers across this country.

I think it is high time we do something in this Congress for those small banks which have been too long ignored and neglected. And in this process tonight, due to the leadership of the gentleman from Iowa (Mr. LEACH), we are going to meet this important community need. I congratulate him and the ranking member on what I think will be an important, successful night when we pass H.R. 10.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Madam Chairman, I regretfully say that I must oppose this bill. This bill is an abject total failure to deal with the issue of telemarketing by affiliated telemarketing firms.

Imagine this: Aunt Emma inherits $10,000. She puts her $10,000 into her trusted bank. Should that banker be able to call their affiliated telemarketing company, tell them that Aunt Emma is a ripe target to sell some hot stock or annuity, and allow them to call her at 6 o'clock at night and interrupt her watching Jeopardy to sell her that? And the answer is, ''no,'' they should not be allowed to do that if Aunt Emma does not want it.

Now, why is this important now? Some people have said we have moved ahead a little on third parties, but we are creating an entirely new species of telemarketer here. We are creating an entirely new species with H.R. 10 of affiliated firms. And if we are going to create the Tyrannosaurus rex of telemarketing, we ought to tame that before we create the species.

Today is the time to tame that. Today is the time to reject this, go back, and protect the rights of privacy of our constituents.

Mr. DINGELL. Madam Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. LUTHER).

Mr. LUTHER. Madam Chairman, I thank the gentleman from Michigan for yielding me this time, and I rise in opposition to this bill.

Let me tell my colleagues a little bit about my home State of Minnesota's unique experience with financial privacy rights. Less than a month ago, Minnesota Attorney General Mike Hatch filed a civil suit against a large financial institution for allegedly selling its customers confidential information to a telemarketer. Of course, the bank's customers had no idea their financial data was being handled like this, and they never would have dreamed of it. The public reacted very strongly upon learning the information.

This week that case was settled, only after a few weeks, on terms very favorable to Minnesota consumers and very similar to the Markey-Dingell-Stupak amendment.

I would simply ask my colleagues this: Should the consumers of America be entitled to anything less than what the Minnesota Attorney General obtained for Minnesota consumers after only a few weeks?

I urge my colleagues to oppose this bill. All Americans deserve real privacy protections, and they deserve them now.

The CHAIRMAN. The Chair would propose to recognize Members for final speeches in reverse order of their original allocations of time under the rule, to wit: The gentleman from Michigan (Mr. DINGELL), the gentleman from New York (Mr. LAFALCE), and the gentleman from Iowa (Mr. LEACH).

Mr. DINGELL. Madam Chairman, I yield myself the balance of my time.

Let us talk about medical privacy. The Secretary's recommendations on this matter would explicitly preserve existing State laws that provide for essential privacy protection. H.R. 10 implicitly overrides them. With few exceptions, the Secretary's recommendations would require consent before medical records could be disclosed. H.R. 10 permits extensive disclosure without consent. Indeed, there are two pages of exceptions in the rule and in the bill.

The recommendations of the Secretary would prohibit unauthorized disclosure of medical records to insurance

companies for underwriting purposes, to credit agencies and to banks. H.R. 10 expressly allows such disclosure. The Secretary's recommendations would require that any authorization to disclose medical records be truly voluntary. H.R. 10 permits the insurers to coerce consent by saying they will refuse the right to insurance unless that disclosure takes place.

H.R. 10 provides no safeguards ensuring only genuine medical research projects attain access to medical records. The Secretary's recommendations would include express protection in that regard.

The Secretary's recommendations would hold third parties responsible for medical information that they receive. H.R. 10 allows third parties to disclose medical information to anybody.

□ 1830

Mr. LAFALCE. Madam Chairman, I yield myself the balance of my time.

First of all, I would like to thank the staff of the Committee on Banking and Financial Services, the majority and minority staff. The majority acted in a very bipartisan way. Our minority staff, Jeanne Roslanovick, Rick Maurano, Dean Sagar, Tricia Haisten, Kirsten Johnson, Patty Lord, and so many others were just terrific. We would not be here without them.

Secondly, I would like to point out that there is a Statement of Administration Policy. The administration supports the bill that is on the floor today, but it has some very serious reservations, reservations that are very similar to those I expressed.

They strongly favor the bipartisan privacy amendment that the gentleman from Texas (Mr. FROST), the gentlewoman from Ohio (Ms. PRYCE), myself, the gentleman from Minnesota (Mr. VENTO), the gentleman from Iowa (Mr. LEACH) and others have worked out so strongly. They are terrific privacy.

They strongly oppose the medical privacy language of Ganske and want that deleted. They strongly oppose the Paul-Barr-Campbell amendment, et cetera. They strongly object to the fact that the Committee on Rules did not permit the Lee anti-redlining amendment.

So, in sum, the position of the administration and the position that I have expressed have been virtually identical. They would like us to go forward but only if certain amendments are defeated and only if certain provisions within the bill are cured in conference.

Mr. LEACH. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, let me just first thank all associated with this process. My colleagues have had varied perspectives, and this is a very controversial bill. The staff has been extraordinarily professional. I personally believe that the committee staff that the gentleman from New York (Mr. LAFALCE) and I have is as good a staff as any in the history of the Congress.

We have also enjoyed working with the committee staff of the Committee on Commerce, which does not quite meet that standard, because we have the highest standard, but we appreciate working with the committee staff of the Committee on Commerce.

Let me also say that there are some perspectives that have been presented in a contrasting way that on many of the underlying philosophical aspects there is total consensus in this body. The intent of this legislation is dramatic in the area of privacy. It will be inconceivable to bring forth a law that will do anything except bolster privacy. There is no intent in this law of any nature to undercut executive discretion, which may arise later this summer if certain follow-on legislation does not arise in a timely fashion from another committee of jurisdiction.

In any regard, I am personally convinced that, in any historical landscape of consideration, this is the right bill at the right time. There will be nuances that we will all disagree about. But the framework is to present a financial community that will be second to none in the world, a financial community that will serve the American consumer and be so competitive and broad that it will help bring American financial practices and models to the rest of the world. So this bill is designed to look to the next century in such a way that finance will serve rather than be the servant of the people of the world.

I urge support of this bill. I personally believe that we can go forth. To the degree there are nuances that need to be corrected, I assure my colleagues they will be.

Ms. STABENOW. Madam Chairman, I rise today to explain my vote on the Bliley amendment to H.R. 10, the Financial Services Act of 1999. While I support the efforts of my colleague, Mr. BLILEY, to add new protections for victims of domestic violence, I object to the second provision in his amendment regarding mutual insurance companies.

One of my top priorities as a legislator here in the House and when I served in both the Michigan House and Senate, has been to help the victims of domestic violence. Last year I introduced two bills to help victims of domestic abuse, H.R. 3901, Arrest Policies for Domestic Violence and H.R. 3902, Court Appointed Special Advocates for Victims of Child Abuse.

I strongly support the first provision in the Bliley amendment that would prohibit banks from discriminating against victims of domestic violence in providing insurance. This provision expressed the Sense of Congress that all states should enact laws prohibiting such discrimination. This kind of discrimination must be stopped so that victims of domestic violence take the necessary steps toward financial and personal freedom. Had I been given the opportunity to vote on this provision of the amendment separately, I would have voted in favor.

Unfortunately, I was compelled to vote against the Bliley amendment due to the language in the second provision regarding mutual insurance companies. This language would permit mutual insurance companies to relocate from one state to another and to reorganize into a mutual holding company or stock company. This would permit some companies to operate outside the important safety net of state regulation. Therefore, in an effort to protect consumers, I voted against the Bliley amendment.

Mr. POMEROY. Madam Chairman, I am reluctantly voting yes on H.R. 10. It needs work—a lot of work—in conference committee to fully establish functional regulation of insurance in state insurance departments.

In light of assurances I have received from the Banking Committee Chairman and Ranking Member to revisit the concerns I have advanced in this regard I will vote for the bill to keep the process moving forward.

We desperately need financial services modernization, but it is vitally important the legislation establishing these reforms get it done right.

Mrs. CAPPS. Madam Chairman, tonight I will vote against H.R. 10.

I do this with great disappointment because I truly believe that we must modernize our woefully out-of-date financial service laws.

Modernizing these laws would create a more efficient financial service industry and bring greater choice and lower prices for consumers.

But I cannot in good conscience support this legislation. The so-called medical privacy provision endangers consumer privacy protection by allowing their sensitive health information to be sold.

I hope to work with my colleagues to tighten these provisions during conference so I can support a financial services bill that does not endanger patient privacy.

Mr. GONZALEZ. Madam Chairman, I am disappointed that the Rules Committee did not allow me the opportunity to offer on the floor the amendment on title insurance. I hoped to be able to explain the treatment of title insurance in the bill and ensure the protection of Texas state law.

The title insurance section of H.R. 10—Section 305—generally prohibits national banks from underwriting or selling title insurance, either directly or through a subsidiary. There is a grandfather clause (Section 305(c)) that enables any national bank or national bank subsidiary currently engaged in title insurance sales activities to continue to engage in those activities. National banks would remain free, however, to underwrite and sell title insurance products through affiliates. The core prohibition on national bank and national bank subsidiary title insurance sales activities is based on the idea that there are problems associated with bank sales of title insurance. These are real problems, and I thought that the best way to address them was to limit bank-related title insurance activities to their affiliates. This was why I originally offered the amendment that was adopted by the House Banking Committee to require that title insurance sales be done only through affiliates.

Section 305(b) of this bill has a ''parity'' exception that grants national banks parity with state-chartered banks in the sale of title insurance. The intent is to grant national banks in a State the power to sell title insurance products in the same manner and to the same extent as state-chartered banks that we actually and lawfully engaged in title insurance sales activities in that State. My amendment would simply have made it clear that Section 305(b) was a true parity provision. It would have made clear that national banks could sell title insurance products in a State only if state-chartered banks are actively and lawfully engaged in title insurance activity on the date of enactment. Alternatively, national banks could sell title insurance if a state expressly authorizes bank title insurance sales for national banks. Therefore, if the State legislature has not expressly authorized title insurance sales as a lawful power for its State banks, but has some other general statutory provision that might be interpreted as an authorization (but does not explicitly do so), that other general provision would not trigger parity rights for national banks. I thought this clarification was necessary because it is only in states where state legislatures had actually considered these problems that the unique problems associated with bank title insurance sales activities have been addressed.

Texas State insurance law is very important to me, and I hope this clarification can still be made at some point during the consideration of the bill.

Mr. PAYNE. Madam Chairman, I rise to express my strong support for the Community Reinvestment Act which has helped ensure fair and equal access to capital and credit. We all strive for the American dream of home ownership and many of us aspire to start our own businesses. But that dream is out of reach for some in our society because there are financial institutions which discriminate against minorities living in working class neighborhoods.

Fortunately, blatant discrimination in lending is declining, and homeownership and small business opportunities are on the rise. Much of this progress against so-called ''relining'' can be attributed to the Community Reinvestment Act. Under CRA, federal banking agencies grade lending institutions on how well they meet the credit and capital needs of all the communities in which they are chartered and from which they take deposits.

In my own state of New Jersey, CRA has helped provide more than $8 billion in discounted mortgages, discounted home improvement loans, loans to small businesses owned by women and minorities and loans and investments for community and economic development. Many people who never thought it would be possible to own their own home have succeeded through programs made possible by the Community Reinvestment Act.

Madam Chairman, let's help make the American Dream a reality for millions of Americans by continuing to support a strong CRA.

Ms. ROYBAL-ALLARD. Madam Chairman, I rise in opposition to H.R. 1. Rather than updating our antiquated banking laws and bringing the United States financial system into the 21st century, H.R. 10 will leave consumers and our communities more vulnerable than ever before.

Why should we allow for the unprecedented conglomeration of banks, securities firms, and insurance companies while at the same time we ignore the most modest provisions to protect our consumers?

I am opposed to H.R. 10 for a number of reasons:

H.R. 10 is missing important community reinvestment provisions. Specifically, the bill fails to extend the Community Reinvestment Act—the CRA—to the banking activities of nonbank financial institutions that seek to affiliate with banks. In other words, if credit card companies, securities firms or insurers would like to offer traditional banking products such as checking accounts or loans, they should be subject to the CRA. Why should we make it easier for banks, brokers and insurance companies to merge without simultaneously modernizing and expanding the CRA?

The CRA has averaged billions of dollars of investment into communities such as mine, where unemployment and poverty levels are still well above the national average. Low-income families, small businesses and small farmers have all benefited from the CRA through increased opportunities to purchase a home, and obtain start-up and business expansion loans. Let's strengthen it, not weaken it.

H.R. 10 fails to crack down on insurance redlining. Missing from this bill is a modest, consumer-friendly provision, authored by my colleague BARBARA LEE, which would combat redlining of neighborhoods by insurance companies. Excluding this provision will once again leave vast segments of our urban and rural communities vulnerable to discriminatory lending practices by some unscrupulous insurance companies.

H.R. 10 isn't friendly to our thrifts and severely limits their viability. The bill grants the Federal Reserve significant and perhaps unwarranted new regulatory authority over unitary thrift holding companies. Thrifts have been critically important in serving the financial needs of low income and minority communities, particularly in the area of mortgage financing. Threats to the thrift charter would, therefore, disproportionately impact low income and minority communities.

H.R. 10 permits the unprecedented preemption of stronger consumer-friendly state laws thereby undermining state authority and harming consumers. Under H.R. 10, progressive State banking laws such as those requiring low-cost checking accounts or prohibiting ATM surcharges would be weakened.

H.R. 10 fails to provide strong financial and medical privacy protections. If we're going to allow H.R. 10 to accelerate mergers, create mega one-stop centers with access to information about millions of customers, we need to stop information from being disclosed to third parties and affiliates. Anything less is unacceptable.

Certainly, we need to preserve America's financial leadership as we approach the 21st century.

Certainly, we need to update our archaic laws so that U.S. companies are not at a competitive disadvantage in the global marketplace.

Certainly, we should promote convenient and affordable one-stop shopping for consumers in order to meet all of their financial needs.

But not at the expense of consumer privacy. Nor at the expense of the Community Reinvestment Act.

I am not willing to trade the so-called perks of financial modernization—efficiency, choice, convenience, one-stop-shopping—for the decimation of privacy rights and community reinvestment. It's that simple.

Our nations consumers should be our number one priority as we contemplate the merits of H.R. 10. Unfortunately, H.R. 10 doesn't meet this threshold. I urge my colleagues to oppose this bill.

Ms. MCCARTHY of Missouri. Madam Chairman, I rise today in opposition to this measure, H.R. 10, as put forth by the Rules Committee. I support financial modernization, but the current bill fails to achieve the goals set out by both the Banking and Commerce Committees. We can do better than the measure that we are considering this evening. The committee efforts were solid and established a procedure for consensus. The Rules Committee refused to allow the consideration of key amendments vital to financial modernization so that opportunities for investment and savings continue fairly, and fair pricing practices and misuse of private information essential to consumers are assured.

In the Commerce Committee on which I serve, agreement was achieved on issues such as consumer privacy, state regulatory authority, and the Community Reinvestment Act (CRA). The bipartisan resolution was altered by the Rules Committee to preempt important language to protect consumers against unfair lending, ATM surcharges, and check cashing charges. Further, the measure now preempts essential state insurance laws across the country, including requirements that insurance companies pay legitimate claims in a timely manner, invest premiums paid by insurance consumers in a prudent and safe manner, and contribute to state funds established to guarantee the solvency of insurers.

The measure before us no longer includes full disclosure requirements allowing consumers to control how their financial information will be used, transferred, and shared. Consumers should have confidence that personal information shared with their insurer will be kept confidential. To achieve this goal, the need to safeguard consumers' personal and medical information must be balanced with the need to allow financial institutions, including insurance companies, to efficiently provide services to consumers.

The measure under consideration does not proactively address the issue of insurance redlining. Allowing banks and insurance companies to discriminate against consumers for any reason is unacceptable. Violating fair housing practices should be addressed—this is a glaring omission in the bill.

Finally, as written, this measure will sanctify the ability of the Comptroller of the Currency (OCC) to override state consumer laws and allow national banks to ignore essential consumer protections, such as unnecessarily high prices on checking accounts and prepayment penalties when consumers sell their homes and pay off their mortgages. Further, we must address the issue of operating subsidiaries.

Consumers are easily confused and unfairly targeted when subsidiaries are allowed to coexist with traditional banking services. Further, the Securities Exchange Commission (SEC) and not the Comptroller should regulate these entitles, to ensure that consumers are properly protected. The OCC's focus is on the safety and soundness of investments, while the SEC focuses on consumer protection.

Each of our lives are impacted daily by financial transactions—when we write a check, have our paychecks directly deposited, pay our bills, buy something over the Internet, purchase a house, or invest for our retirement. We must successfully address and modernize the procedures to safeguard consumer rights and prevent the inappropriate use of personal information.

I will continue my advocacy for the proper balance between consumer privacy and economic growth and hope the measure improves so that I can support passage following Conference Committee efforts.

Mr. WEYGAND. Madam Chairman, I rise in support of H.R. 10, the Financial Services Act of 1999.

I believe the House Banking Committee, of which I am a member, has done an admirable job at balancing the many differing views and opinions on how to structure financial services reform. I commend Chairman LEACH, Ranking Member LAFALCE, and their staffs for all their hard work in bringing what I believe is a balanced approach to financial services reform to the floor.

Mr. Speaker, I have previously stated that there are two fundamental questions to ask when considering the type of financial services overhaul we are debating. First, what effect will this legislation have on consumers? Second, what effect will the same legislation have on U.S. financial institutions' ability to compete in an ever increasing global market place?

In my view, this bill that makes significant progress on a number of consumer issues. First, the bill we have before us preserves the integrity of the Community Reinvestment Act (CRA). In fact, as a requirement of affiliation, a financial holding company must have and maintain at least a satisfactory CRA rating. Additionally, this bill extends CRA requirements to any newly created Wholesale Financial Institution. This language will ensure that financial institutions continue to invest in those communities from which they take deposits. This investment is crucial in order to meet the credit and lending needs of traditionally underserved communities. The fact is, CRA has provided thousands of families and entrepreneurs with the credit they needed to buy a home or start a business. CRA works. I urge my colleagues to support the CRA provisions in this bill and oppose any potentially weakening amendments.

Second, the bill addresses the important matter of financial privacy. During the Banking Committee's consideration of H.R. 10, I cosponsored an amendment with Mr. INSLEE, of Washington, addressing financial privacy. That amendment would have provided consumers with the ability to 'opt out' of information sharing by their financial institution. Ultimately, our amendment was defeated. However, due to the hard work of Mr. INSLEE, his staff, and the Banking Committee we are taking positive steps toward protecting consumers personal financial information.

This bill also requires greater disclosure of policies, procedures, risks, and costs of certain transactions, including ATM fees. It requires disclosure of existing privacy policies, contains strong anti-tying and anti-coercion provisions, and includes the requirement to disclose what products are federally insured and which ones are not. All of these are proconsumer and make good business sense.

However, I am concerned about one glaring omission from this bill. The House Banking Committee approved an amendment that would have prevented the practice of insurance redlining in low-income communities. Redlining is a practice that strikes at the very heart of what we should be opposing—discrimination based on your neighborhood or income level.

The second concern I have with this bill, as it is before us today, is with the potential disclosure of medical or health information. I believe that there should be strong firewalls established between affiliates or operating subsidiaries as it pertains to the exchange of medical or health information. When a person shares private medical information with an insurance company they should have every assurance that whatever information is shared is not then given to the bank or securities company that happens to own or is affiliated with that insurance company.

It is my sincere hope that as this bill moves to conference with the Senate we will continue to make progress on protecting individuals' private medical information. I also hope that we can reinstate the Banking Committee provision that would prohibit insurance redlining.

H.R. 10 will indeed make U.S. financial institutions more competitive and assist them in remaining leaders in the world financial marketplace. It will remove antiquated barriers to expansion and competition. It will also allow financial institutions to take advantage of new technologies, economies of scale and scope that will result in efficiencies providing consumers with greater choice at lower costs.

Developing this financial services modernization bill has been a long and difficult process. What we have before us today is a carefully constructed, balanced bill that will make our financial services industry more competitive, provide consumers with more choice, and takes several positive steps regarding consumer protections. This bill deserves our support.

Mr. BLUMENAUER. Madam Chairman, I support the modernization principles in this long overdue financial legislation. It has been years in the making and this legislation is about as good as it is going to get. On balance, it will improve the competitiveness of our financial system and provide more choices for consumers.

There has emerged a growing concern about protecting the privacy rights of Americans. These concerns are independent, but related to financial services. Privacy is a major issue in business practices generally and in the health care system in particular. I am disappointed that the Republican Leadership did not allow several provisions to be discussed that would have strengthened the protections and I believe they would have made H.R. 10 a better bill. Nonetheless, these concerns are not going to go away. They will be a part of the Patients' Bill of Rights legislation and may be the subject of a comprehensive stand alone bill that will spell out what protections Americans can expect from their government regarding sensitive and personal data.

Even though we were denied an opportunity to deal with these issues in connection with H.R. 10, I hope the attention and the controversy will spur this Congress to action and that we will not adjourn until we provide a vehicle for understanding the rights and responsibility surrounding individual privacy.

Mr. EWING. Madam Chairman, I rise today in support of H.R. 10. While many of us have reservations about some sections of H.R. 10, I believe that the House needs to pass this legislation to begin the process of modernizing outdated, Depression-era laws that separate the financial services industry. These changes are long overdue.

However, I would hope that the conference takes a hard look at the so-called parity provision that was added to Section 305 by the Commerce Committee. This parity provision would grant title insurance sales authority to any national bank or its subsidiary located in a state in which state-chartered banks have such authority. I believe that the adoption of any such parity provision is unwarranted.

For instance, individual consumers purchasing homes and refinancing their mortgages will have to pay for title insurance, and under the current language in this bill, will pay a bank-owned agency to insure the bank and basically your home. A national bank should be prohibited from engaging in title insurance sales activities in a State unless the state-chartered banks in that State are explicitly authorized to engage in title insurance sales activities. H.R. 10 should require that subsequent to enactment of the bill, states must explicitly authorize state banks to sell title insurance.

Congress has always set the parameters for the exercise of national bank powers and there is no reason to depart from that traditional approach in this context. Moreover, adopting such an approach would ignore the unique issues related to bank sales of title insurance that mandate the confinement of such activities to bank affiliates. Simply stated, I think we should leave it up to the individual States to decide what best suits their banking and title insurance agents and not Washington, D.C. There is a very unique relationship that currently exists and this provision would significantly endanger the title insurance agents across the nation.

I am also concerned that the unique needs of independent bankers are not fully accounted for by H.R. 10. This issue should be resolved in conference, so that independent bankers will be able to continue to provide their crucial services to their communities.

In conclusion, I would like to express my support of H.R. 10 and urge my colleagues on both sides of the aisle to support the passage of this legislation.

Mr. DAVIS of Illinois. Madam Chairman, I take this opportunity to express my support for H.R. 10, although reluctantly. In spite of and notwithstanding the good premises of this bill, I am concerned that it does not go far enough

in its protection and/or expansion of Community Reinvestment. I represent one of the most diverse districts in the nation, the 7th District of Illinois. It contains many of the very wealthy and many of the very poor. Moderately stable, upscale and low-income communities, sixty-eight percent of all public housing in Chicago. Community Reinvestment requirements have been a pipeline and a lifesaver for the inner-city south and westside of my District. It has saved communities and revitalized neighborhoods. It is amazing to me that, as we debate such a revolutionizing, and modernizing bill, that this House has failed to use this opportunity to elevate the Community Reinvestment Act to its appropriate level.

Since its enactment in 1977, the CRA has made sure that our banks would reach our country's poor communities. At the time of CRA's enactment, banks and thrifts held ⅔ of all financial industry assets, today that number has fallen to ¼ of financial assets. This steady erosion of CRA's financial base has the possibility to threaten the future of the Act's effectiveness. Today, the specter of reduced CRA effectiveness looms over H.R. 10. This bill could allow banks to move their money into their securities and insurance affiliates where the CRA cannot reach.

In my district, where nearly 175,000 individuals live at or below the poverty level, CRA has been the most effective means by which they have been able to purchase their home, or start their own business. But now, as a result of H.R. 10's failure on the CRA, banks' ties to the local community will be diminished, and the needs of the poor may not be met. For those living in places like the West Side of Chicago, maintaining a strong CRA will make all the difference in world.

Though I agree that the time has arrived to tear down the walls that divide the banking, securities, and insurance industries, there is no reason that the new conglomerates that this bill will spawn should not also be subject to CRA. Though H.R. 10 does not include any changes that will specifically alter CRA, without being amended, H.R. 10 can deteriorate the financial base of CRA coverage. That a basic banking service, whether offered through a parent bank or through a subsidiary bank or a bank holding company, should affect its coverage under the CRA does not make sense. Even if we pass H.R. 10 in its current form, we must recognize a need to expand the current CRA laws to include all institutions that are engaged in banking practices so that CRA's effectiveness in revitalizing low income communities will never be diminished. As long as I am a member in Congress, I will stand guard over the CRA and make sure financial service companies respect the intent and purpose of the CRA.

Mr. COYNE. Madam Chairman, as we consider the legislation before us today, I want to express my strong support for the Community Reinvestment Act.

Thanks to the CRA, many families and small businesses across the country have gained meaningful access to credit for the first time. Nationwide, more than one trillion dollars has been invested in traditionally underserved neighborhoods as a result of the CRA.

I strongly support efforts to apply the CRA's requirements to the banking activities of non-bank financial institutions which seek to affiliate with banks. I deeply regret that the Rules Committee has not made such an amendment in order.

I urge my colleagues to work with me as Congressional action on financial services legislation proceeds to ensure that the CRA will continue to promote equal access to credit.

Mr. BOEHNER. Madam Chairman, I rise in support of this landmark legislation. In one great cascade, it washes over decades of obsolete law, Congressional inattention, and regulatory creep to give us a modern and prudent legislative framework for one of our most important and dynamic industries. I believe it's the most important bill we'll debate this year, and I strongly urge its passage.

In a bill this complex, it's easy to miss the forest for the trees. But the broad direction is what's most important. Our nation's financial services sector is the irrigation system for our economy. By allowing for the quick and efficient flow of cash and of capital, it provides the fuel that the rest of our economy needs to grow. By calculating and allocating risk effectively, it minimizes the harm that sudden distortions can do. And by providing a variety of savings, investment, and insurance vehicles for our citizens, it allows us all to plan and work for a secure retirement. Much is made of the dynamism of the so-called high-tech sector, and its growth has been truly phenomenal. But without a vibrant, stable, and innovative financial services marketplace, many of these high-tech firms would still be languishing on someone's chalkboard.

We have the most dynamic and competitive financial service sector in the world. And that's why we have to pass this bill. Because the industry has so outgrown our Depression-era regulatory framework that soon, the framework will be irrelevant. And because our competitors are catching up by passing modernized financial service laws of their own. Unless we act here today, we may find ourselves ceding our dominance in this critical market to our foreign competitors.

How does the bill accomplish this? Again, the broad strokes are the important ones. First, functional regulation. Conduct should be overseen by regulators who understand it. That means that securities activities should be supervised by securities regulators, even if they're performed by a bank. It means banking activities should be regulated by banking authorities, and insurance activities by insurance authorities. Functional regulations means that proper regulators can see the warning signs of instability early enough to head it off. Writing a functional regulatory structure is far more difficult, however, than simply describing one, and the chairmen of the Banking and Commerce committees have done a superb job.

Second, the bill reflects the marketplace fact that banking, securities, and insurance underwriting all have far more in common than not. All essentially reflect the same functions—calculating and allocating risk, accumulating and investing capital. Keeping them apart makes little sense economically, and so for the first time in 66 years, the bill lets them affiliate. In good times, this means more innovation, greater efficiency, and better products. In bad times, it means that their risks will be diversified, protecting our economy and our taxpayers from the failure of financial firms.

Third, it mixes this new flexibility with prudence. We've learned from Japan that we need to go slow on mixing banking and commerce. Let's see how we do with affiliation first, then return to the question of commerce and banking.

And fourth, it's politically viable. We all know the controversy that has always surrounded this bill. With industry groups historically fighting each other for every advantage, it's no surprise that over the last 22 years this bill has failed 11 times. But this bill, building on the work of last year's, has the support of the broadest financial services coalition yet.

Madam Chairman, in closing I want to congratulate my friends the gentlemen from Iowa and Virginia, the chairmen of the Banking and Commerce Committees. This is a huge accomplishment for this Congress and for them personally. It's a testament to their leadership and, given the history of this issue, it's a testament to their character that we're here today to debate and pass this bill. I admire them both.

Madam Chairman, I strongly support H.R. 10, the Financial Services Act of 1999. It is the right bill at the right time for our financial services industry, for its consumers, and for our entire economy.

Mr. STARK. Madam Chairman, lawmakers casting a ''yea'' vote today on the Financial Services Act, H.R. 10, are making a fundamental error. They are effectively voting to strip millions of Americans of a basic right: the ability to exercise meaningful control over who sees their most sensitive information. Title III, Subtitle D, Section 351 of the bill gives insurers extensive ability to disclose medical information without a consumer's consent.

If this provision is enacted into law, it will create legal chaos. As written, it appears to overlay myriad state medical privacy laws that regulate disclosure and access.

Does it make you feel ill to know that under H.R. 10, a travel insurance agent could peruse your medical records? Does it make your blood pressure rise to know that under H.R. 10, auto insurance companies could use medical data to raise your family's rate? And that any insurer, as well as its affiliates and subsidiaries, would be legally authorized to share sensitive, personal information with credit reporting companies?

Unless lawmakers appointed as conferees for H.R. 10 take action to strike the bill's medical privacy provisions, American consumers will wake up to find that the insurance industry—which makes most of its money through underwriting to reduce financial risk—can disclose their medical data without authorization in many, many circumstances. And that's plainly wrong.

It's also disturbing that the majority leadership has done next to nothing to advance comprehensive medical privacy legislation in the House of Representatives. Title V of the 1998 GOP managed care bill, H.R. 4250, featured sorry medical privacy provisions that were roundly condemned by consumer groups and privacy advocates through the country.

Now the August deadline for action set three years ago by the Health Insurance Portability and Accountability Act is fast approaching. It is my hope that a coalition of members to work together to produce medical confidentiality legislation that is at least as strong as

the 1997 recommendations developed by the HHS Secretary—with one notable exception. The Secretary's recommendations proposed no additional restraints on access to medical data by law enforcement officials in the form of a subpoena or court order requirement. That is a position with which I strongly disagree.

It is not too late to enact sound medical privacy legislation that puts federal protections in place for consumers across the country, while leaving stronger state laws in place and allowing states the flexibility to add additional protections for those customers of the future who find themselves afflicted with as-yet-unknown disorders, and who, as a result, also suffer discrimination.

Enactment of H.R. 10's medical privacy provisions would not only eradicate many existing medical privacy protections, but also hinder the HHS Secretary's ability to promulgate regulations under HIPAA if Congress does not act by next month.

Madam Chairman, we must not do this. The consequences for consumers are far too grave.

Mr. FALEOMAVAEGA. Madam Chairman, H.R. 10 is about as complex a bill as we address in this house. The bill has been in the making for years, and at times it seemed impossible to get a majority of the Banking Committee, let alone the full House, to agree on its contents.

Mr. Speaker, I know H.R. 10 remains a controversial bill, with supporters on both sides of many issues. Without getting into the more controversial issues, I do wish to comment on Section 162 contained in the subtitle entitled ''Federal Home Loan Bank System Modernization''. Among other technical amendments, this section adds American Samoa and the Commonwealth of the Northern Mariana Islands to the provisions of the Federal Home Loan Bank Act.

The condition of much of the private housing in American Samoa is deplorable. Too many people are forced to live without electricity and running water, and many structures could not withstand gale-force winds, let alone the hurricane-force winds which blow through Samoa on a regular basis. With an annual per capita income barely over $3,000, and interest rates on commercial home loans in the 13%–14% range, there is very little new construction or refurbishment of housing in American Samoa.

To partially address this problem, Public Law 102–547 created a pilot program through which Native American Samoan veterans, and other Native American veterans, could obtain home loans at moderate rates, and the response in American Samoa has been overwhelming. Unfortunately, this pilot program is available only to a small segment of the population residing in American Samoa.

During the first five-year authorization of the VA pilot program, to the best of my knowledge, no loan went into default and needed to be assumed by the Department of Veterans Affairs. I believe there is now a sufficient track record for private lenders to feel comfortable in making residential loans in American Samoa.

There is interest within the banking industry in American Samoa to be included in the Federal Home Loan Bank program, The Amerika Samoa Bank, a local bank, is on record in support of including American Samoa in this federal housing program and is looking forward to obtaining access to a source of long-term, low-interest funding to make home loans.

The number of complaints I receive from constituents in American Samoa concerning the cost of home loans will further attest to the need for loans at affordable interest rates in this remote, rural area.

Last year, the Federal Housing Finance Board issued a final rule including American Samoa within its regulations. I am appreciative of the willingness and efforts of the Federal Housing Finance Board to include American Samoa and the Commonwealth of the Northern Mariana Islands within its regulations, and that administrative action has been working well; however, this statutory amendment will ensure a more permanent solution.

In the 105th Congress I introduced H.R. 904, a bill which would clarify that American Samoa is included in the Federal Home Loan Bank Act. That provision is a part of Section 162 of H.R. 10, and I strongly support that provision.

Mr. SANDLIN. Madam Chairman, I rise today in support of this bill.

Financial modernization is already occurring. Innovation and technological advances are allowing financial services firms to offer customers a wide range of new products and thus increasing competition and benefitting consumers. These changes are occurring globally and dramatically changing how financial services providers operate and deliver their products. In the United States, however, burdensome regulatory barriers are hindering the efforts of our financial institutions to compete globally through the development and delivery of new financial products.

The buttom line is simple, financial modernization is necessary and will continue as a result of market forces, even in the absence of legislation. However, the success of American firms, and ultimately, the strength of the American economy, depend on a good bill—one that will ensure that financial modernization occurs in an efficient manner and protects the interests of customers as well as the safety and soundness of our financial system.

But as we debate these important issues and work to modernize the way our financial services firms do business, we must remember our community banks. In East Texas, people trust their community banks and know their local bankers. We have recognized that these institutions are an integral part of rural America and that we must not overlook them or jeopardize their future in any way as we undertake this monumental legislation. I believe that this bill addresses these needs—the needs of Main Street as much as Wall Street—and I urge you to cast your vote in support.

Mr. NEY. Madam Chairman, I rise today in support of H.R. 10, The Financial Services Modernization Bill of 1999. As a supporter of this bill, I want to send a message to the Office of the Comptroller of the Currency, on behalf of the Members who worked so hard to obtain passage of this much-needed legislation.

This bill for the first time allows the true marriage of insurance, banking and securities. The principle behind the bill is functional regulation, the activities of any entity should be regulated by function. So when a bank engages in insurance activities, those activities should be regulated by insurance regulators, not banking regulators. The same holds true for securities activities.

The bill seeks to craft a balance between Congress' authority to grant banks certain powers and the States' authority to regulate certain activities. This balance is particularly delicate in the context of state regulation of the insurance sales activities of banks and their affiliates. Section 104 of the bill sets up a fairly complex scheme, designed to allow states to regulate insurance activities without substantially interfering with banks' ability to sell insurance. While the bill affords states a certain amount of certainty regarding what is permissible regulation, through a creation of safe harbor, it leaves much to potential challenge. As the bill makes clear, our creation of a safe harbor is not intended to establish any kind of inference regarding the permissibility of state insurance laws that fall outside the safe harbor.

As a result of this legislation, federal banking regulators and state insurance regulators will work together cooperatively in the best interests of the public. This positive relationship should be given an opportunity to develop. What we do not want to see is aggressive moves on the part of the OCC, or other federal banking regulators, to displace state insurance laws and regulations applied to banks. This legislation is designed to foreclose the OCC's opportunity to do that.

Mr. PACKARD. Madam Chairman, I would like to issue my support for H.R. 10, the Financial Services Act of 1999. This legislation will allow citizens more control of their own money, not Washington bureaucrats.

H.R. 10 enhances competition in the banking and financial service markets. As the law stands today, the financial sector has to comply with regulations set up after the Great Depression. This has to change. The Financial Services Act will allow American companies to enter the new millennium on an equal standing with financial businesses around the world.

The Financial Services Act will benefit each individual who uses a financial institute. Increasing free trade inside the financial sector ensures higher quality services and lower prices. The government is already far too involved in the lives of private citizens. This legislation will increase choices and services for the American people.

Madam Chairman, the Financial Services Act will ensure that American companies continue to lead the world in the financial sector. I urge my colleagues to support its passage.

Mr. BONILLA. Madam Chairman, I rise today in support of our community leaders, America's bankers. Everyday, America's bankers serve their communities whether it's through lending to home buyers, supporting small businesses or even softball sponsorships. Still, if their actions don't fit into the arbitrary mandates of the Community Reinvestment Act, banks are strapped with large fines and their good deeds go unnoticed.

Banks are the primary engines for small business lending everywhere. Banks, especially small banks, invest in their communities and reflect their communities. If they don't, they simply do not survive.

The rising tide of CRA threatens to put these community leaders out of business. The CRA has gone far, far beyond its original intent of ensuring fair lending. Banks are now forced to have employees whose entire job is devoted to CRA compliance.

Instead of working for their communities, these folks are working for CRA federal bureaucrats. Instead of helping families buy their first home, bankers are living in fear of their next CRA review.

Our colleagues in the Senate have already approved much-needed changes in CRA. Let's end the bureaucratic nightmare of CRA and give bankers a chance to truly serve their communities.

Mr. HYDE. Madam Chairman, I rise in support of H.R. 10, the ''Financial Services Act of 1999.'' For many years, we have been trying to repeal the outdated restrictions that keep banks, securities firms, and insurance companies from getting into one another's businesses. After all the debate, I think we have finally come up with something in this bill that will open up a whole new world of competition.

Financial services are becoming increasingly globalized, increasingly computerized, and increasingly seamless. Banking laws passed during the Depression simply will not do in the 21st century. I wish that we could maintain a world where everyone knew their banker on a first name basis and loans were made on a handshake, and I think in the new world some banks will provide that kind of service to those who demand it. But we need not have laws that limit us to that kind of service, as desirable as it may seem. Everyone is better off if the market decides what kinds of services financial firms will offer.

Just think about the progress we have made in the past ten years. When I was a child, only the wealthy owned stocks. Now, with the growth of the mutual fund industry and self-directed retirement funds, millions and millions of average Americans not only own stocks, but make their own investment decisions. These developments create wealth, increase people's incentive to produce, and relieve some of the entitlement burden of government. I believe that this bill will bring more such positive developments.

I want to say a word about my friends JIM LEACH, chairman of the Banking Committee, and TOM BLILEY, chairman of the Commerce Committee. They have done an excellent job of putting this package together. I commend them for their work in bringing this bill to the floor in a very difficult and contentious environment.

I especially want to commend them for working with me on the bank merger provisions of the bill and the bankruptcy provisions relating to wholesale financial institutions. Under current law, bank mergers are reviewed under special bank merger statutes, and they do not go through the Hart-Scott-Rodino merger review process that covers most other mergers. Now banks will be able to get into other businesses which they have not been able to do before.

The principle that we have tried to follow is that when mergers occur, the bank part of that merger will be judged under the current bank merger statutes, and we do not intend any change in that process or in any of the agencies' respective jurisdictions. The non-bank part of that merger, which will fall under the new Section 6 of the Bank Holding Company Act, will be subject to the normal Hart-Scott-Rodino merger review by either the Justice Department or the Federal Trade Commission. The amendment in the nature of a substitute has language that embodies that principle. This language is essentially the same as that in last year's bill, but certain technical and clarifying changes have been made.

In short, no bank is treated differently than it otherwise would be because it has some other business within its corporate family. Likewise, no other business is treated differently than it otherwise would be because it has a bank within its corporate family.

We have embodied that same principle with respect to the Federal Trade Commission's authority to enforce the Federal Trade Commission Act and other laws. Section 5 of the Federal Trade Commission Act specifically prohibits the FTC from enforcing the Act against banks because they are heavily regulated. The language in the amendment in the nature of a substitute does not change that, but it does clarify that the bank prohibition does not extend to any other non-bank parts of a bank's corporate family. I would also note that similar language was not necessary for the Justice Department because there are no specific statutory prohibitions on its ability to enforce laws against banks, other than the Hart-Scott-Rodino exemption that I have already discussed.

With respect to the bankruptcy language on wholesale financial institutions, I think that we all agree on the substance involved, but the specific language may require some further refinement in conference.

I will be requesting Judiciary Committee conferees on a few narrow parts of the bill, and I look forward to continuing to work with my Banking Committee and Commerce Committee colleagues.

I will insert four jurisdictional letters relating to the Judiciary Committee's participation in this matter for printing in the RECORD.

Let me again commend my friends JIM LEACH and TOM BLILEY and everyone else who has worked on this legislation, and I ask my colleagues to support it.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, June 15, 1999.

Hon. DENNIS HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I am writing to let you know of the Committee on the Judiciary's jurisdictional interest in H.R. 10, the ''Financial Services Act of 1999.'' As you know, the Committee on Banking and Financial Services has filed its report on H.R. 10, and the Committee on Commerce will do so shortly.

The Committee on the Judiciary has jurisdiction over several provisions of the bill as introduced: §104(a)(3) (dealing with the preservation of state antitrust laws); §104(b)(3)(A) & (b)(4)(B) (dealing with the non-preemption of the McCarran-Ferguson Act); §122 (amending Title 18 to create a crime for misrepresentations regarding financial institution liability for obligations of affiliates); §136(b) (to the extent that it deals with the treatment of wholesale financial institutions under the Bank Merger Act and the Bankruptcy Code in the new §9B(b)(5) & (e)(3) of the Federal Reserve Act); §13(d) (dealing with amendments to the Bankruptcy Code for wholesale financial institutions); §136(e) (to the extent that it deals with the treatment under the Bankruptcy Code of corporations organized under §25A of the Federal Reserve Act); §§141–44 (dealing with the antitrust review of mergers in the financial services industry); §206(b) & (d) (dealing with administrative procedures for the Securities and Exchange Commission outside the Administrative Procedure Act); §214 (to the extent that it creates a new crime under the Investment Company Act); §301 (dealing with the continued viability of the McCarran-Ferguson Act); §306 (dealing with expedited dispute resolution for disputes between state and federal regulators); §314(a) (dealing with court jurisdiction over litigation concerning redomesticated insurer); §321(d) (dealing with court jurisdiction over litigation concerning reciprocity or uniformity determinations); §335 (dealing with court jurisdiction over litigation concerning the National Association of Registered Agents and Brokers). In addition, there are at least two provisions of the bill as reported by the Banking Committee over which this committee has jurisdiction: §179 (creating new criminal and civil liability for violations of new privacy requirements) and §193 (to the extent that it limits the claims of bankruptcy trustees).

The foregoing list is intended to be as comprehensive as possible, but any inadvertent omission of a provision in either the introduced or reported versions of the bill that the Committee would otherwise have jurisdiction over does not waive that jurisdiction. The Committee has not yet been able to obtain a copy of the bill as ordered reported by the Commerce Committee, and it reserves its rights with respect to any additional provisions that may be included therein.

I have several relatively minor concerns with the language of these provisions, and my staff has been working with the staffs of the Banking and Commerce Committees to resolve those concerns. I am confident that we will resolve them in the near future. For that reason, I have written to Chairman Leach and Chairman Bliley to inform them that I am willing to waive the Committee's right to a sequential referral of H.R. 10 subject to the good faith commitment of all concerned that these minor concerns will be addressed to our satisfaction either in the base text made in order under the rule or a manager's amendment when H.R. 10 goes to the floor.

My doing so does not constitute any waiver of the Committee's jurisdiction over these provisions and does not prejudice its rights in any future legislation relating to these provisions or other similar provisions that may be included in the Act. I request that you appoint Members of this Committee as conferees on these provisions or any other similar provisions in the bill should it go to conference.

I appreciate your consideration of my views on this issue. Please let me know if you need any further information.

Sincerely,

HENRY J. HYDE,
Chairman.

Hon. JIM LEACH,
Chairman, Committee on Banking and Financial Services,
Washington, DC.
Hon. TOM BLILEY,
Chairman, Committee on Commerce,
Washington, DC.

DEAR JIM AND TOM. I am writing to let you know of the Committee on the Judiciary's jurisdictional interest in H.R. 10, the ''Financial Services Act of 1999.'' As you know, the Committee on Banking and Financial Services has filed its report on H.R. 10, and the Committee on Commerce will do so shortly.

The Committee on the Judiciary has jurisdiction over several provisions of the bill as introduced: §104(a)(3) (dealing with the preservation of state antitrust laws); §104(b)(3)(A) & (b)(4)(B) (dealing with the non-preemption of the McCarran-Ferguson Act); §122 (amending Title 18 to create crime for mispresentations regarding financial institution liability for obligations of affiliates); §136(b) (to the extent that it deals with the treatment of wholesale financial institutions under the Bank Merger Act and the Bankruptcy Code in the new §9B(b)(5) & (e)(3) of the Federal Reserve Act); §136(d) (dealing with amendments to the Bankruptcy Code for wholesale financial institutions); §136(e) (to the extent that it deals with the treatment under the Bankruptcy Code of corporations organized under §25A of the Federal Reserve Act); §§141–44 (dealing with the antitrust review mergers in the financial services industry); §206(b) & (d) (dealing with administrative procedures for the Securities and Exchange Commission outside the Administrative Procedure Act); §214 (to the extent that it creates a new crime under the Investment Company Act); §301 (dealing with the continued viability of the McCarran-Ferguson Act); §306 (dealing with expedited dispute resolution for disputes between state and federal regulators); §314(a) (dealing with court jurisdiction over litigation concerning redomesticated insurer); §321(d) (dealing with court jurisdiction over litigation concerning reciprocity or uniformity determinations); §335 (dealing with court jurisdiction over litigation concerning the National Association of Registered Agents and Brokers). In addition, there are at least two provisions of the bill as reported by the Banking Committee over which this committee has jurisdiction: §179 (creating new criminal and civil liability for violations of new privacy requirements) and §193 (to the extent that it limits the claims of bankruptcy trustees).

The foregoing list is intended to be as comprehensive as possible, but any inadvertent omission of a provision in either the introduced or reported versions of the bill that the Committee would otherwise have jurisdiction over does not waive that jurisdiction. The Committee has not yet been able to obtain a copy of the bill as ordered reported by the Commerce Committee, and it reserves its rights with respect to any additional provisions that may be included therein.

As you know, I have several relatively minor concerns with the language of these provisions, and my staff has been working with yours to resolve them. I am confident that we will resolve them in the near future. For that reason, I am willing to waive the Committee's right to a sequential referral of H.R. 10 subject to the good faith commitment of all concerned that these minor concerns will be addressed to our satisfaction either in the base text made in order under the rule or a manager's amendment which H.R. 10 goes to the floor.

However, my doing so does not constitute any waiver of the Committee's jurisdiction over these provisions and does not prejudice its rights in any future legislation relating to these provisions or any other similar provisions that may be included in the Act. I will, of course, insist that Members of this Committee be named as conferees on these provisions or any other similar provisions in the bill should it go to conference. By separate letter, a copy of which is attached, I am making that request Speaker Hastert today.

I appreciate your consideration of my views on this issue. Please let me know if you need any further information.

Sincerely,

HENRY J. HYDE,
Chaiman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, June 18, 1999.

Hon. HENRY HYDE,
Chairman, Committee on the Judiciary,
Washington, DC.

DEAR HENRY: Thank you for your letter regarding the Committee on the Judiciary's jurisdictional interest in H.R. 10, the ''Financial Services Act of 1999.''

I acknowledge the Judiciary Committee jurisdictional interest in a number of provisions in H.R. 10. The Committee on Commerce has included your proposed revision to the antitrust subtitle in its consideration of the legislation. I will work with you to address any other concerns you have either in base text or as part of a manager's amendment on the House floor.

I would not oppose Members of the Judiciary Committee being named as conferees for provisions within your Committee's jurisdiction.

Thank you for foregoing a request for a sequential referral of this important legislation. I appreciate your willingness to work with me.

Sincerely,

TOM BLILEY,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND FINANCIAL SERVICES,
Washington, DC, June 15, 1999.

Hon. HENRY HYDE,
Chairman, Committee on the Judiciary,
Washington, DC.

DEAR HENRY: Thank you for your letter regarding the Judiciary Committee's jurisdictional interest in H.R. 10, the ''Financial Services Act of 1999.''

I recognize that the Committee on the Judiciary has jurisdictional claims to those provisions in H.R. 10 which affect the Bankruptcy Code, criminal sanctions, antitrust laws, the McCarran-Ferguson Act, administrative procedures and the court system. Your willingness to waive the Committee's right to a sequential referral of this legislation so that we may move it to the floor expeditiously is appreciated. As outlined in your letter, I will continue to work with you in good faith to see that the thrust of the Judiciary Committee's concerns will be addressed as H.R. 10 goes to the floor. In addition, I agree with you that on the provisions within the Judiciary Committee's jurisdiction the Judiciary Committee should be represented when the bill goes to conference.

Thanks again for your cooperation. I appreciate your willingness to work with the Committee on Banking and Financial Services.

Sincerely,

JAMES A. LEACH,
Chairman.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of the Committee on Rules print dated June 24, 1999, is considered as an original bill for the purpose of amendment under the 5-minute rule and is considered read.

The text of the amendment in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Financial Services Act of 1999''.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To enhance competition in the financial services industry, in order to foster innovation and efficiency.

(2) To ensure the continued safety and soundness of depository institutions.

(3) To provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services.

(4) To avoid duplicative, potentially conflicting, and overly burdensome regulatory requirements through the creation of a regulatory framework for financial holding companies that respects the divergent requirements of each of the component businesses of the holding company, and that is based upon principles of strong functional regulation and enhanced regulatory coordination.

(5) To reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result.

(6) To enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas.

(7) To enhance the competitiveness of United States financial service providers internationally.

(8) To ensure compliance by depository institutions with the provisions of the Community Reinvestment Act of 1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations.

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

Sec. 1. Short title; purposes; table of contents.

TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

Subtitle A—Affiliations

Sec. 101. Glass-Steagall Act reformed.
Sec. 102. Activity restrictions applicable to bank holding companies which are not financial holding companies.
Sec. 103. Financial holding companies.
Sec. 104. Operation of State law.
Sec. 105. Mutual bank holding companies authorized.
Sec. 105A. Public meetings for large bank acquisitions and mergers.
Sec. 106. Prohibition on deposit production offices.
Sec. 107. Clarification of branch closure requirements.
Sec. 108. Amendments relating to limited purpose banks.

Sec. 109. GAO study of economic impact on community banks, other small financial institutions, insurance agents, and consumers.
Sec. 110. Responsiveness to community needs for financial services.

Subtitle B—Streamlining Supervision of Financial Holding Companies

Sec. 111. Streamlining financial holding company supervision.
Sec. 112. Elimination of application requirement for financial holding companies.
Sec. 113. Authority of State insurance regulator and Securities and Exchange Commission.
Sec. 114. Prudential safeguards.
Sec. 115. Examination of investment companies.
Sec. 116. Limitation on rulemaking, prudential, supervisory, and enforcement authority of the Board.
Sec. 117. Equivalent regulation and supervision.
Sec. 118. Prohibition on FDIC assistance to affiliates and subsidiaries.
Sec. 119. Repeal of savings bank provisions in the Bank Holding Company Act of 1956.
Sec. 120. Technical amendment.

Subtitle C—Subsidiaries of National Banks

Sec. 121. Permissible activities for subsidiaries of national banks.
Sec. 122. Safety and soundness firewalls between banks and their financial subsidiaries.
Sec. 123. Misrepresentations regarding depository institution liability for obligations of affiliates.
Sec. 124. Repeal of stock loan limit in Federal Reserve Act.

Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

Sec. 131. Wholesale financial holding companies established.
Sec. 132. Authorization to release reports.
Sec. 133. Conforming amendments.

CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

Sec. 136. Wholesale financial institutions.

Subtitle E—Preservation of FTC Authority

Sec. 141. Amendment to the Bank Holding Company Act of 1956 to modify notification and post-approval waiting period for section 3 transactions.
Sec. 142. Interagency data sharing.
Sec. 143. Clarification of status of subsidiaries and affiliates.
Sec. 144. Annual GAO report.

Subtitle F—National Treatment

Sec. 151. Foreign banks that are financial holding companies.
Sec. 152. Foreign banks and foreign financial institutions that are wholesale financial institutions.
Sec. 153. Representative offices.
Sec. 154. Reciprocity.

Subtitle G—Federal Home Loan Bank System Modernization

Sec. 161. Short title.
Sec. 162. Definitions.
Sec. 163. Savings association membership.
Sec. 164. Advances to members; collateral.
Sec. 165. Eligibility criteria.
Sec. 166. Management of banks.
Sec. 167. Resolution Funding Corporation.
Sec. 168. Capital structure of Federal home loan banks.

Subtitle H—ATM Fee Reform

Sec. 171. Short title.
Sec. 172. Electronic fund transfer fee disclosures at any host ATM.
Sec. 173. Disclosure of possible fees to consumers when ATM card is issued.
Sec. 174. Feasibility study.
Sec. 175. No liability if posted notices are damaged.

Subtitle I—Direct Activities of Banks

Sec. 181. Authority of national banks to underwrite certain municipal bonds.

Subtitle J—Deposit Insurance Funds

Sec. 186. Study of safety and soundness of funds.
Sec. 187. Elimination of SAIF and DIF special reserves.

Subtitle K—Miscellaneous Provisions

Sec. 191. Termination of ''know your customer'' regulations.
Sec. 192. Study and report on Federal electronic fund transfers.
Sec. 193. General Accounting Office study of conflicts of interest.
Sec. 194. Study of cost of all Federal banking regulations.
Sec. 195. Study and report on adapting existing legislative requirements to online banking and lending.
Sec. 196. Regulation of uninsured State member banks.
Sec. 197. Clarification of source of strength doctrine.
Sec. 198. Interest rates and other charges at interstate branches.

Subtitle L—Effective Date of Title

Sec. 199. Effective date.

TITLE II—FUNCTIONAL REGULATION

Subtitle A—Brokers and Dealers

Sec. 201. Definition of broker.
Sec. 202. Definition of dealer.
Sec. 203. Registration for sales of private securities offerings.
Sec. 204. Information sharing.
Sec. 205. Treatment of new hybrid products.
Sec. 206. Definition of excepted banking product.
Sec. 207. Additional definitions.
Sec. 208. Government securities defined.
Sec. 209. Effective date.
Sec. 210. Rule of construction.

Subtitle B—Bank Investment Company Activities

Sec. 211. Custody of investment company assets by affiliated bank.
Sec. 212. Lending to an affiliated investment company.
Sec. 213. Independent directors.
Sec. 214. Additional SEC disclosure authority.
Sec. 215. Definition of broker under the Investment Company Act of 1940.
Sec. 216. Definition of dealer under the Investment Company Act of 1940.
Sec. 217. Removal of the exclusion from the definition of investment adviser for banks that advise investment companies.
Sec. 218. Definition of broker under the Investment Advisers Act of 1940.
Sec. 219. Definition of dealer under the Investment Advisers Act of 1940.
Sec. 220. Interagency consultation.
Sec. 221. Treatment of bank common trust funds.
Sec. 222. Investment advisers prohibited from having controlling interest in registered investment company.
Sec. 223. Statutory disqualification for bank wrongdoing.
Sec. 224. Conforming change in definition.
Sec. 225. Conforming amendment.
Sec. 226. Church plan exclusion.
Sec. 227. Effective date.

Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

Sec. 231. Supervision of investment bank holding companies by the Securities and Exchange Commission.

Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products

Sec. 241. Improved and consistent disclosure.

TITLE III—INSURANCE

Subtitle A—State Regulation of Insurance

Sec. 301. State regulation of the business of insurance.
Sec. 302. Mandatory insurance licensing requirements.
Sec. 303. Functional regulation of insurance.
Sec. 304. Insurance underwriting in national banks.
Sec. 305. Title insurance activities of national banks and their affiliates.
Sec. 306. Expedited and equalized dispute resolution for Federal regulators.
Sec. 307. Consumer protection regulations.
Sec. 308. Certain State affiliation laws preempted for insurance companies and affiliates.
Sec. 309. Interagency consultation.
Sec. 310. Definition of State.

Subtitle B—National Association of Registered Agents and Brokers

Sec. 321. State flexibility in multistate licensing reforms.
Sec. 322. National Association of Registered Agents and Brokers.
Sec. 323. Purpose.
Sec. 324. Relationship to the Federal Government.
Sec. 325. Membership.
Sec. 326. Board of directors.
Sec. 327. Officers.
Sec. 328. Bylaws, rules, and disciplinary action.
Sec. 329. Assessments.
Sec. 330. Functions of the NAIC.
Sec. 331. Liability of the Association and the directors, officers, and employees of the Association.
Sec. 332. Elimination of NAIC oversight.
Sec. 333. Relationship to State law.
Sec. 334. Coordination with other regulators.
Sec. 335. Judicial review.
Sec. 336. Definitions.

Subtitle C—Rental Car Agency Insurance Activities

Sec. 341. Standard of regulation for motor vehicle rentals.

Subtitle D—Confidentiality

Sec. 351. Confidentiality of health and medical information.

TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

Sec. 401. Prohibition on new unitary savings and loan holding companies.
Sec. 402. Retention of ''Federal'' in name of converted Federal savings association.

TITLE V—PRIVACY

Subtitle A—Privacy Policy

Sec. 501. Depository institution privacy policies.
Sec. 502. Study of current financial privacy laws.

Subtitle B—Fraudulent Access to Financial Information
Sec. 521. Privacy protection for customer information of financial institutions.
Sec. 522. Administrative enforcement.
Sec. 523. Criminal penalty.
Sec. 524. Relation to State laws.
Sec. 525. Agency guidance.
Sec. 526. Reports.
Sec. 527. Definitions.

TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

Subtitle A—Affiliations

SEC. 101. GLASS-STEAGALL ACT REFORMED.

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the ''Glass-Steagall Act'') is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

SEC. 102. ACTIVITY RESTRICTIONS APPLICABLE TO BANK HOLDING COMPANIES WHICH ARE NOT FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

''(8) shares of any company the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of the enactment of the Financial Services Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation or order, unless modified by the Board);''.

(b) CONFORMING CHANGES TO OTHER STATUTES.—

(1) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking '', to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,''.

(2) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period and adding at the end the following: ''as of the day before the date of enactment of the Financial Services Act of 1999.''.

SEC. 103. FINANCIAL HOLDING COMPANIES.

(a) IN GENERAL.—The Bank Holding Company Act of 1956 is amended by inserting after section 5 (12 U.S.C. 1844) the following new section:

''SEC. 6. FINANCIAL HOLDING COMPANIES.

''(a) FINANCIAL HOLDING COMPANY DEFINED.—For purposes of this section, the term 'financial holding company' means a bank holding company which meets the requirements of subsection (b).

''(b) ELIGIBILITY REQUIREMENTS FOR FINANCIAL HOLDING COMPANIES.—

''(1) IN GENERAL.—No bank holding company may engage in any activity or directly or indirectly acquire or retain shares of any company under this section unless the bank holding company meets the following requirements:

''(A) All of the subsidiary depository institutions of the bank holding company are well capitalized.

''(B) All of the subsidiary depository institutions of the bank holding company are well managed.

''(C) All of the subsidiary depository institutions of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution;

''(D) The company has filed with the Board a declaration that the company elects to be a financial holding company and certifying that the company meets the requirements of subparagraphs (A), (B), and (C).

''(2) FOREIGN BANKS AND COMPANIES.—For purposes of paragraph (1), the Board shall establish and apply comparable capital and other operating standards to a foreign bank that operates a branch or agency or owns or controls a bank or commercial lending company in the United States, and any company that owns or controls such foreign bank, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(3) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—Any depository institution acquired by a bank holding company during the 12-month period preceding the submission of a notice under paragraph (1)(D) and any depository institution acquired after the submission of such notice may be excluded for purposes of paragraph (1)(C) during the 12-month period beginning on the date of such acquisition if—

''(A) the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution; and

''(B) the plan has been accepted by such agency.

''(c) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

''(1) FINANCIAL ACTIVITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a financial holding company may engage in any activity, and acquire and retain the shares of any company engaged in any activity, that the Board has determined (by regulation or order and in accordance with subparagraph (B)) to be—

''(i) financial in nature or incidental to such financial activities; or

''(ii) complementary to activities authorized under this subsection to the extent that the amount of such complementary activities remains small.

''(B) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

''(i) PROPOSALS RAISED BEFORE THE BOARD.—

''(I) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection, including a regulation or order proposed under paragraph (4), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

''(II) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

''(ii) PROPOSALS RAISED BY THE TREASURY.—

''(I) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

''(II) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

''(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Board shall take into account—

''(A) the purposes of this Act and the Financial Services Act of 1999;

''(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

''(C) changes or reasonably expected changes in the technology for delivering financial services; and

''(D) whether such activity is necessary or appropriate to allow a bank holding company and the affiliates of a bank holding company to—

''(i) compete effectively with any company seeking to provide financial services in the United States;

''(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

''(iii) offer customers any available or emerging technological means for using financial services.

''(3) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—The following activities shall be considered to be financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

''(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing.

''(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

''(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

''(E) Underwriting, dealing in, or making a market in securities.

''(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

''(G) Engaging, in the United States, in any activity that—

''(i) a bank holding company may engage in outside the United States; and

''(ii) the Board has determined, under regulations issued pursuant to section 4(c)(13) of

this Act (as in effect on the day before the date of enactment of the Financial Services Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

''(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by an affiliate of the bank holding company that is a registered broker or dealer that is engaged in securities underwriting activities, or an affiliate of such broker or dealer, as part of a bona fide underwriting or investment banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

''(iii) such shares, assets, or ownership interests are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

''(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities;

''(iii) such shares, assets, or ownership interests represent an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments; and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not directly or indirectly participate in the day-to-day management or operation of the company or entity except insofar as necessary to achieve the objectives of clauses (ii) and (iii).

''(4) AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.—The Board shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

''(B) Providing any device or other instrumentality for transferring money or other financial assets.

''(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

''(5) POST-CONSUMMATION NOTIFICATION.—

''(A) IN GENERAL.—A financial holding company that acquires any company, or commences any activity, pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired no later than 30 calendar days after commencing the activity or consummating the acquisition.

''(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in section 4(j) with regard to the acquisition of a savings association or in paragraph (6) of this subsection, a financial holding company may commence any activity, or acquire any company, pursuant to paragraph (3) or any regulation prescribed or order issued under paragraph (4), without prior approval of the Board.

''(6) NOTICE REQUIRED FOR LARGE COMBINATIONS.—

''(A) IN GENERAL.—No financial holding company shall directly or indirectly acquire, and no company that becomes a financial holding company shall directly or indirectly acquire control of, any company in the United States, including through merger, consolidation, or other type of business combination, that—

''(i) is engaged in activities permitted under this subsection or subsection (g); and

''(ii) has consolidated total assets in excess of $40,000,000,000,

unless such holding company has provided notice to the Board, not later than 60 days prior to such proposed acquisition or prior to becoming a financial holding company, and during that time period, or such longer time period not exceeding an additional 60 days, as established by the Board, the Board has not issued a notice disapproving the proposed acquisition or retention.

''(B) FACTORS FOR CONSIDERATION.—In reviewing any prior notice filed under this paragraph, the Board shall take into consideration—

''(i) whether the company is in compliance with all applicable criteria set forth in subsection (b) and the provisions of subsection (d);

''(ii) whether the proposed combination represents an undue aggregation of resources;

''(iii) whether the proposed combination poses a risk to the deposit insurance system;

''(iv) whether the proposed combination poses a risk to State insurance guaranty funds;

''(v) whether the proposed combination can reasonably be expected to be in the best interests of depositors or policyholders of the respective entities;

''(vi) whether the proposed transaction can reasonably be expected to further the purposes of this Act and produce benefits to the public; and

''(vii) whether, and the extent to which, the proposed combination poses an undue risk to the stability of the financial system in the United States.

''(C) REQUIRED INFORMATION.—The Board may disapprove any prior notice filed under this paragraph if the company submitting such notice neglects, fails, or refuses to furnish to the Board all relevant information required by the Board.

''(D) SOLICITATION OF VIEWS OF OTHER SUPERVISORY AGENCIES.—

''(i) IN GENERAL.—Upon receiving a prior notice under this paragraph, in order to provide for the submission of their views and recommendations, the Board shall give notice of the proposal to—

''(I) the appropriate Federal banking agency of any bank involved;

''(II) the appropriate functional regulator of any functionally regulated nondepository institution (as defined in section 5(c)(1)(C)) involved; and

''(III) the Secretary of the Treasury, the Attorney General, and the Federal Trade Commission.

''(ii) TIMING.—The views and recommendations of any agency provided notice under this paragraph shall be submitted to the Board not later than 30 calendar days after the date on which notice to the agency was given, unless the Board determines that another shorter time period is appropriate.

''(d) PROVISIONS APPLICABLE TO FINANCIAL HOLDING COMPANIES THAT FAIL TO MEET REQUIREMENTS.—

''(1) IN GENERAL.—If the Board finds, after notice from or consultation with the appropriate Federal banking agency, that a financial holding company is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (b)(1), the Board shall give notice of such finding to the company.

''(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Within 45 days of receipt by a financial holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the company shall execute an agreement acceptable to the Board to comply with the requirements applicable to a financial holding company.

''(3) AUTHORITY TO IMPOSE LIMITATIONS.—Until the conditions described in a notice to a financial holding company under paragraph (1) are corrected—

''(A) the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances; and

''(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or subsidiary of a depository institution as the appropriate Federal banking agency determines to be appropriate under the circumstances.

''(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a financial holding company does not—

''(A) execute and implement an agreement in accordance with paragraph (2);

''(B) comply with any limitations imposed under paragraph (3);

''(C) in the case of a notice of failure to comply with subsection (b)(1)(A), restore each depository institution subsidiary to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the company (or such other period permitted by the Board); or

''(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (b)(1), restore compliance with any

such subparagraph by the date the next examination of the depository institution subsidiary is completed or by the end of such other period as the Board determines to be appropriate,

the Board may require such company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, to divest control of any depository institution subsidiary or, at the election of the financial holding company, instead to cease to engage in any activity conducted by such company or its subsidiaries pursuant to this section.

''(5) CONSULTATION.—In taking any action under this subsection, the Board shall consult with all relevant Federal and State regulatory agencies.

''(e) SAFEGUARDS FOR BANK SUBSIDIARIES.—A financial holding company shall assure that—

''(1) the procedures of the holding company for identifying and managing financial and operational risks within the company, and the subsidiaries of such company, adequately protect the subsidiaries of such company which are insured depository institutions or wholesale financial institution from such risks;

''(2) the holding company has reasonable policies and procedures to preserve the separate corporate identity and limited liability of such company and the subsidiaries of such company, for the protection of the company's subsidiary insured depository institutions and wholesale financial institutions; and

''(3) the holding company complies with this section.

''(f) AUTHORITY TO RETAIN LIMITED NONFINANCIAL ACTIVITIES AND AFFILIATIONS.—

''(1) IN GENERAL.—Notwithstanding section 4(a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a financial holding company after the date of the enactment of the Financial Services Act of 1999 may continue to engage in any activity and retain direct or indirect ownership or control of shares of a company engaged in any activity if—

''(A) the holding company lawfully was engaged in the activity or held the shares of such company on September 30, 1997;

''(B) the holding company is predominantly engaged in financial activities as defined in paragraph (2); and

''(C) the company engaged in such activity continues to engage only in the same activities that such company conducted on September 30, 1997, and other activities permissible under this Act.

''(2) PREDOMINANTLY FINANCIAL.—For purposes of this subsection, a company is predominantly engaged in financial activities if the annual gross revenues derived by the holding company and all subsidiaries of the holding company (excluding revenues derived from subsidiary depository institutions), on a consolidated basis, from engaging in activities that are financial in nature or are incidental to activities that are financial in nature under subsection (c) represent at least 85 percent of the consolidated annual gross revenues of the company.

''(3) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A financial holding company that engages in activities or holds shares pursuant to this subsection, or a subsidiary of such financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under subsection (c).

''(4) CONTINUING REVENUE LIMITATION ON GRANDFATHERED COMMERCIAL ACTIVITIES.—Notwithstanding any other provision of this subsection, a financial holding company may continue to engage in activities or hold shares in companies pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities and all such companies does not exceed 15 percent of the consolidated annual gross revenues of the financial holding company (excluding revenues derived from subsidiary depository institutions).

''(5) CROSS MARKETING RESTRICTIONS APPLICABLE TO COMMERCIAL ACTIVITIES.—A depository institution controlled by a financial holding company shall not—

''(A) offer or market, directly or through any arrangement, any product or service of a company whose activities are conducted or whose shares are owned or controlled by the financial holding company pursuant to this subsection or subparagraph (H) or (I) of subsection (c)(3); or

''(B) permit any of its products or services to be offered or marketed, directly or through any arrangement, by or through any company described in subparagraph (A).

''(6) TRANSACTIONS WITH NONFINANCIAL AFFILIATES.—A depository institution controlled by a financial holding company may not engage in a covered transaction (as defined by section 23A(b)(7) of the Federal Reserve Act) with any affiliate controlled by the company pursuant to section 10(c), this subsection, or subparagraph (H) or (I) of subsection (c)(3).

''(7) SUNSET OF GRANDFATHER.—A financial holding company engaged in any activity, or retaining direct or indirect ownership or control of shares of a company, pursuant to this subsection, shall terminate such activity and divest ownership or control of the shares of such company before the end of the 10-year period beginning on the date of the enactment of the Financial Services Act of 1999. The Board may, upon application by a financial holding company, extend such 10-year period by a period not to exceed an additional 5 years if such extension would not be detrimental to the public interest.

''(g) DEVELOPING ACTIVITIES.—A financial holding company may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Board has not determined to be financial in nature or incidental to financial activities under subsection (c) if—

''(1) the holding company reasonably concludes that the activity is financial in nature or incidental to financial activities;

''(2) the gross revenues from all activities conducted under this subsection represent less than 5 percent of the consolidated gross revenues of the holding company;

''(3) the aggregate total assets of all companies the shares of which are held under this subsection do not exceed 5 percent of the holding company's consolidated total assets;

''(4) the total capital invested in activities conducted under this subsection represents less than 5 percent of the consolidated total capital of the holding company;

''(5) neither the Board nor the Secretary of the Treasury has determined that the activity is not financial in nature or incidental to financial activities under subsection (c);

''(6) the holding company is not required to provide prior written notice of the transaction to the Board under subsection (c)(6); and

''(7) the holding company provides written notification to the Board describing the activity commenced or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.''.

(b) FACTORS FOR CONSIDERATION IN REVIEWING APPLICATION BY FINANCIAL HOLDING COMPANY TO ACQUIRE BANK.—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following new paragraph:

''(6) 'TOO BIG TO FAIL' FACTOR.—In considering an acquisition, merger, or consolidation under this section involving a financial holding company or a company that would be any such holding company upon the consummation of the transaction, the Board shall consider whether, and the extent to which, the proposed acquisition, merger, or consolidation poses an undue risk to the stability of the financial system of the United States.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end the following new subsection:

''(p) INSURANCE COMPANY.—For purposes of sections 5, 6, and 10, the term 'insurance company' includes any person engaged in the business of insurance to the extent of such activities.''.

(2) Section 4(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(j)) is amended—

(1) in paragraph (1)(A), by inserting ''or in any complementary activity under section 6(c)(1)(B)'' after ''subsection (c)(8) or (a)(2)''; and

(2) in paragraph (3)—

(A) by inserting '', other than any complementary activity under section 6(c)(1)(B),'' after ''to engage in any activity''; and

(B) by inserting ''or a company engaged in any complementary activity under section 6(c)(1)(B)'' after ''insured depository institution''.

(d) REPORT.—

(1) IN GENERAL.—By the end of the 4-year period beginning on the date of the enactment of this Act and every 4 years thereafter, the Board of Governors of the Federal Reserve System and the Secretary of the Treasury shall submit a joint report to the Congress containing a summary of new activities which are financial in nature, including grandfathered commercial activities, in which any financial holding company is engaged pursuant to subsection (c)(1) or (f) of section 6 of the Bank Holding Company Act of 1956 (as added by subsection (a)).

(2) OTHER CONTENTS.—Each report submitted to the Congress pursuant to paragraph (1) shall also contain the following:

(A) A discussion of actions by the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, whether by regulation, order, interpretation, or guideline or by approval or disapproval of an application, with regard to activities of financial holding companies which are incidental to activities financial in nature or complementary to such financial activities.

(B) An analysis and discussion of the risks posed by commercial activities of financial holding companies to the safety and soundness of affiliate depository institutions.

(C) An analysis and discussion of the effect of mergers and acquisitions under section 6 of the Bank Holding Company Act of 1956 on

market concentration in the financial services industry.

(D) An analysis and discussion, by the Board and the Secretary in consultation with the other Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), of the impact of the implementation of this Act, and the amendments made by this Act, on the extent of meeting community credit needs and capital availability under the Community Reinvestment Act of 1977.

SEC. 104. OPERATION OF STATE LAW.

(a) AFFILIATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, from being affiliated directly or indirectly or associated with any person or entity, as authorized or permitted by this Act or any other provision of Federal law.

(2) INSURANCE.—With respect to affiliations between insured depository institutions or wholesale financial institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit—

(A) any State from requiring any person or entity that proposes to acquire control of an entity that is engaged in the business of insurance and domiciled in that State (hereafter in this subparagraph referred to as the ''insurer'') to furnish to the insurance regulatory authority of that State, not later than 60 days before the effective date of the proposed acquisition—

(i) the name and address of each person by whom, or on whose behalf, the affiliation referred to in this subparagraph is to be effected (hereafter in this subparagraph referred to as the ''acquiring party'');

(ii) if the acquiring party is an individual, his or her principal occupation and all offices and positions held during the 5 years preceding the date of notification, and any conviction of crimes other than minor traffic violations during the 10 years preceding the date of notification;

(iii) if the acquiring party is not an individual—

(I) a report of the nature of its business operations during the 5 years preceding the date of notification, or for such shorter period as such person and any predecessors thereof shall have been in existence;

(II) an informative description of the business intended to be done by the acquiring party and any subsidiary thereof; and

(III) a list of all individuals who are, or who have been selected to become, directors or executive officers of the acquiring party or who perform, or will perform, functions appropriate to such positions, including, for each such individual, the information required by clause (ii);

(iv) the source, nature, and amount of the consideration used, or to be used, in effecting the merger or other acquisition of control, a description of any transaction wherein funds were, or are to be, obtained for any such purpose, and the identity of persons furnishing such consideration, except that, if a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential if the person filing such statement so requests;

(v) fully audited financial information as to the earnings and financial condition of each acquiring party for the 5 fiscal years preceding the date of notification of each such acquiring party, or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence, and similar unaudited information as of a date not earlier than 90 days before the date of notification, except that, in the case of an acquiring party that is an insurer actively engaged in the business of insurance, the financial statements of such insurer need not be audited, but such audit may be required if the need therefor is determined by the insurance regulatory authority of the State;

(vi) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, or to merge or consolidate it with any person or to make any other material change in its business or corporate structure or management;

(vii) the number of shares of any security of the insurer that each acquiring party proposes to acquire, the terms of any offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at;

(viii) the amount of each class of any security of the insurer that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(ix) a full description of any contracts, arrangements, or understandings with respect to any security of the insurer in which any acquiring party is involved, including transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, and identification of the persons with whom such contracts, arrangements, or understandings have been entered into;

(x) a description of the purchase of any security of the insurer during the 12-month period preceding the date of notification by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid, or agreed to be paid, therefor;

(xi) a description of any recommendations to purchase any security of the insurer made during the 12-month period preceding the date of notification by any acquiring party or by any person based upon interviews or at the suggestion of such acquiring party;

(xii) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities of the insurer and, if distributed, of additional soliciting material relating thereto; and

(xiii) the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of securities of the insurer for tender and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto;

(B) in the case of a person engaged in the business of insurance which is the subject of an acquisition or change or continuation in control, the State of domicile of such person from reviewing or taking action (including approval or disapproval) with regard to the acquisition or change or continuation in control, as long as the State reviews and actions—

(i) are completed by the end of the 60-day period beginning on the later of the date the State received notice of the proposed action or the date the State received the information required under State law regarding such acquisition or change or continuation in control;

(ii) do not have the effect of discriminating, intentionally or unintentionally, against an insured depository institution or affiliate thereof or against any other person based upon affiliation with an insured depository institution; and

(iii) are based on standards or requirements relating to solvency or managerial fitness;

(C) any State from requiring an entity that is acquiring control of an entity that is engaged in the business of insurance and domiciled in that State to maintain or restore the capital requirements of that insurance entity to the level required under the capital regulations of general applicability in that State to avoid the requirement of preparing and filing with the insurance regulatory authority of that State a plan to increase the capital of the entity, except that any determination by the State insurance regulatory authority with respect to such requirement shall be made not later than 60 days after the date of notification under subparagraph (A);

(D) any State from taking actions with respect to the receivership or conservatorship of any insurance company;

(E) any State from restricting a change in the ownership of stock in an insurance company, or a company formed for the purpose of controlling such insurance company, for a period of not more than 3 years beginning on the date of the conversion of such company from mutual to stock form; or

(F) any State from requiring an organization which has been eligible at any time since January 1, 1987, to claim the special deduction provided by section 833 of the Internal Revenue Code of 1986 to meet certain conditions in order to undergo, as determined by the State, a reorganization, recapitalization, conversion, merger, consolidation, sale or other disposition of substantial operating assets, demutualization, dissolution, or to undertake other similar actions and which is governed under a State statute enacted on May 22, 1998, relating to hospital, medical, and dental service corporation conversions.

(3) PRESERVATION OF STATE ANTITRUST AND GENERAL CORPORATE LAWS.—

(A) IN GENERAL.—Subject to subsection (c) and the nondiscrimination provisions contained in such subsection, no provision in paragraph (1) shall be construed as affecting State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws.

(B) DEFINITION.—The term ''antitrust laws'' has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act to the extent that such section 5 relates to unfair methods of competition.

(b) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in Barnett Bank of Marion County N.A. v. Nelson, 517 U.S. 25 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions which are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, solely because the policy has been issued or underwritten by any person who is not associated with such insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product by an insured depository institution, wholesale financial institution, or any subsidiary or affiliate thereof, unless such charge would be required when the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary;

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term ''services as an insurance agent or broker'' does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance, for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution or a wholesale financial institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by State or Federal law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit or any product or service that is equivalent to an extension of credit, lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from an insured depository institution, wholesale financial institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity described in this clause that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a consumer for a loan or other extension of credit from an insured depository institution or wholesale financial institution is pending, and insurance is offered or sold to the consumer or is required in connection with the loan or extension of credit by the insured depository institution or wholesale financial institution or any affiliate or subsidiary thereof, that a written disclosure be provided to the consumer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution or wholesale financial institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions requiring clear and conspicuous disclosure, in writing, where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or wholesale financial institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution, or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting consumer complaints, and requiring that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 306(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (c) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the applicability of the decision of the Supreme Court in Barnett Bank of Marion County N.A. v. Nelson, 116 S. Ct. 1103 (1996) with respect to a State statute, regulation, order, interpretation, or other action that is not described in subparagraph (B).

(iv) LIMITATION ON INFERENCES.—Nothing in this paragraph shall be construed to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under subsection (b)(1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the ''McCarran-Ferguson Act'');

(B) apply only to persons or entities that are not insured depository institutions or wholesale financial institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross-marketing activities; and

(D) are not prohibited under subsection (c).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under subsection (b)(1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (d); and

(D) it—

(i) does not distinguish by its terms between insured depository institutions, wholesale financial institutions, and subsidiaries and affiliates thereof engaged in the activity at issue and other persons or entities engaged in the same activity in a manner that is in any way adverse with respect to the conduct of the activity by any such insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof engaged in the activity at issue;

(ii) as interpreted or applied, does not have, and will not have, an impact on depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof engaged in the activity at issue, or any person or entity affiliated therewith, that is substantially more adverse than its impact on other persons or entities engaged in the same activity that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(iii) does not effectively prevent a depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging in activities authorized or permitted by this Act or any other provision of Federal law; and

(iv) does not conflict with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law.

(c) NONDISCRIMINATION.—Except as provided in any restrictions described in subsection (b)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the insurance activities authorized or permitted under this Act or any other provision of Federal law of an insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents a depository institution or wholesale financial institution, or subsidiary or affiliate thereof, from engaging in insurance activities authorized or permitted by this Act or any other provision of Federal law; or

(4) conflicts with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and persons and entities engaged in the business of insurance.

(d) LIMITATION.—Subsections (a) and (b) shall not be construed to affect the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of such State—

(1) to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions; or

(2) to require the registration of securities or the licensure or registration of brokers, dealers, or investment advisers (consistent with section 203A of the Investment Advisers Act of 1940), or the associated persons of a broker, dealer, or investment adviser (consistent with such section 203A).

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' includes any foreign bank that maintains a branch, agency, or commercial lending company in the United States.

(2) STATE.—The term ''State'' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

SEC. 105. MUTUAL BANK HOLDING COMPANIES AUTHORIZED.

Section 3(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(g)(2)) is amended to read as follows:

''(2) REGULATIONS.—A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to any other bank holding company.''.

SEC. 105A. PUBLIC MEETINGS FOR LARGE BANK ACQUISITIONS AND MERGERS.

(a) BANK HOLDING COMPANY ACT OF 1956.—Section 3(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)(2)) is amended—

(1) by striking ''FACTORS.—In every case'' and inserting ''FACTORS.—

''(A) IN GENERAL.—In every case''; and

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

''(B) PUBLIC MEETINGS.—In each case involving 1 or more insured depository institutions each of which has total assets of $1,000,000,000 or more, the Board shall, as necessary and on a timely basis, conduct public meetings in 1 or more areas where the Board believes, in the sole discretion of the Board, there will be a substantial public impact.''.

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end the following new paragraph:

''(12) PUBLIC MEETINGS.—In each merger transaction involving 1 or more insured depository institutions each of which has total assets of $1,000,000,000 or more, the responsible agency shall, as necessary and on a timely basis, conduct public meetings in 1 or more areas where the agency believes, in the sole discretion of the agency, there will be a substantial public impact.''.

(c) NATIONAL BANK CONSOLIDATION AND MERGER ACT.—The National Bank Consolidation and Merger Act (12 U.S.C. 215 et seq.) is amended by adding at the end the following new section:

''SEC. 6. PUBLIC MEETINGS FOR LARGE BANK CONSOLIDATIONS AND MERGERS.

''In each case of a consolidation or merger under this Act involving 1 or more banks each of which has total assets of $1,000,000,000 or more, the Comptroller shall, as necessary and on a timely basis, conduct public meetings in 1 or more areas where the Comptroller believes, in the sole discretion of the Comptroller, there will be a substantial public impact.''.

(d) HOME OWNERS' LOAN ACT.—Section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1463) is amended by adding at the end the following new paragraph:

''(7) PUBLIC MEETINGS FOR LARGE DEPOSITORY INSTITUTION ACQUISITIONS AND MERGERS.—In each case involving 1 or more insured depository institutions each of which has total assets of $1,000,000,000 or more, the Director shall, as necessary and on a timely basis, conduct public meetings in 1 or more areas where the Director believes, in the sole discretion of the Director, there will be a substantial public impact.''.

SEC. 106. PROHIBITION ON DEPOSIT PRODUCTION OFFICES.

(a) IN GENERAL.—Section 109(d) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(d)) is amended—

(1) by inserting '', the Financial Services Act of 1999,'' after ''pursuant to this title''; and

(2) by inserting ''or such Act'' after ''made by this title''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 109(e)(4) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(e)(4)) is amended by inserting ''and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

SEC. 107. CLARIFICATION OF BRANCH CLOSURE REQUIREMENTS.

Section 42(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831r–1(d)(4)(A)) is amended by inserting ''and any bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

SEC. 108. AMENDMENTS RELATING TO LIMITED PURPOSE BANKS.

(a) IN GENERAL.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (2)(A)(ii)—

(A) by striking ''and'' at the end of subclause (IX);

(B) by inserting ''and'' after the semicolon at the end of subclause (X); and

(C) by inserting after subclause (X) the following new subclause:

''(XI) assets that are derived from, or are incidental to, consumer lending activities in which institutions described in subparagraph (F) or (H) of section 2(c)(2) are permitted to engage,'';

(2) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraphs:

''(B) any bank subsidiary of such company engages in any activity in which the bank was not lawfully engaged as of March 5, 1987, unless the bank is well managed and well capitalized;

''(C) any bank subsidiary of such company both—

''(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

''(ii) engages in the business of making commercial loans (and, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

''(D) after the date of the enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in such bank's account at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).''; and

(3) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

''(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(D), an overdraft is described in this paragraph if—

''(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

''(B) such overdraft—

''(i) is permitted or incurred on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

''(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

''(C) such overdraft—

''(i) is incurred on behalf of an affiliate solely in connection with an activity that is so closely related to banking, or managing or controlling banks, as to be a proper incident thereto, to the extent the bank incurring the overdraft and the affiliate on whose behalf the overdraft is incurred each document that the overdraft is incurred for such purpose; and

''(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a member bank, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a nonmember bank.

''(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under such paragraph by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date that the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless before the end of such 180-day period, the company has—

''(A) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; and

''(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.

The issuance of any notice under this paragraph that relates to the activities of a bank shall not be construed as affecting the authority of the bank to continue to engage in such activities until the expiration of such 180-day period.''.

(b) INDUSTRIAL LOAN COMPANIES AFFILIATE OVERDRAFTS.—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end '', or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)''.

SEC. 109. GAO STUDY OF ECONOMIC IMPACT ON COMMUNITY BANKS, OTHER SMALL FINANCIAL INSTITUTIONS, INSURANCE AGENTS, AND CONSUMERS.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of the projected economic impact and the actual economic impact that the enactment of this Act will have on financial institutions, including community banks, registered brokers and dealers and insurance companies, which have total assets of $100,000,000 or less, insurance agents, and consumers.

(b) REPORTS TO THE CONGRESS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit reports to the Congress, at the times required under paragraph (2), containing the findings and conclusions of the Comptroller General with regard to the study required under subsection (a) and such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(2) TIMING OF REPORTS.—The Comptroller General shall submit—

(A) an interim report before the end of the 6-month period beginning after the date of the enactment of this Act;

(B) another interim report before the end of the next 6-month period; and

(C) a final report before the end of the 1-year period after such second 6-month period,''

SEC. 110. RESPONSIVENESS TO COMMUNITY NEEDS FOR FINANCIAL SERVICES.

(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which adequate services are being provided as intended by the Community Reinvestment Act of 1977, including services in low- and moderate-income neighborhoods and for persons of modest means, as a result of the enactment of this Act.

(b) REPORT.—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action with respect to institutions covered under the Community Reinvestment Act of 1977.

Subtitle B—Streamlining Supervision of Financial Holding Companies

SEC. 111. STREAMLINING FINANCIAL HOLDING COMPANY SUPERVISION.

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

''(c) REPORTS AND EXAMINATIONS.—

''(1) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) compliance by the company or subsidiary with applicable provisions of this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A bank holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(iii) REQUIRED USE OF PUBLICLY REPORTED INFORMATION.—The Board shall, to the fullest extent possible, accept in fulfillment of any reporting or recordkeeping requirements under this Act information that is otherwise required to be reported publicly and externally audited financial statements.

''(iv) REPORTS FILED WITH OTHER AGENCIES.—In the event the Board requires a report from a functionally regulated nondepository institution subsidiary of a bank holding company of a kind that is not required by another Federal or State regulator or appropriate self-regulatory organization, the Board shall request that the appropriate regulator or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its subsidiary depository institutions or compliance with this Act, the Board may require such subsidiary to provide such a report to the Board.

''(C) DEFINITION.—For purposes of this subsection, the term 'functionally regulated nondepository institution' means—

''(i) a broker or dealer registered under the Securities Exchange Act of 1934;

''(ii) an investment adviser registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(iii) an insurance company subject to supervision by a State insurance commission, agency, or similar authority; and

''(iv) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

''(2) EXAMINATIONS.—

''(A) EXAMINATION AUTHORITY.—

''(i) IN GENERAL.—The Board may make examinations of each bank holding company and each subsidiary of a bank holding company.

''(ii) FUNCTIONALLY REGULATED NONDEPOSITORY INSTITUTION SUBSIDIARIES.—Notwithstanding clause (i), the Board may make examinations of a functionally regulated nondepository institution subsidiary of a bank holding company only if—

''(I) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution, or

''(II) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution and the Board cannot make such determination through examination of the affiliated depository institution or bank holding company.

''(B) LIMITATIONS ON EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (A)(ii), the Board may make examinations under subparagraph (A)(i) of each bank holding company and each subsidiary of such holding company in order to—

''(i) inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

''(ii) inform the Board of—

''(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any subsidiary depository institution of such holding company; and

''(II) the systems for monitoring and controlling such risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates.

''(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

''(i) the bank holding company; and

''(ii) any subsidiary of the holding company that, because of—

''(I) the size, condition, or activities of the subsidiary; or

''(II) the nature or size of transactions between such subsidiary and any depository institution which is also a subsidiary of such holding company,

could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use, for the purposes of this paragraph, the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

''(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and instead reviewing the reports of examination made of—

''(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

''(ii) any investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law;

''(iii) any licensed insurance company by or on behalf of any state regulatory authority responsible for the supervision of insurance companies; and

''(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

''(3) CAPITAL.—

''(A) IN GENERAL.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a financial holding company that is not a depository institution and—

''(i) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority;

''(ii) is registered as an investment adviser under the Investment Advisers Act of 1940, or with any State, whichever is required by law; or

''(iii) is licensed as an insurance agent with the appropriate State insurance authority.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to—

''(i) activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities; or

''(ii) activities of a licensed insurance agent other than insurance agency activities or activities incidental to insurance agency activities.

''(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

''(i) a bank holding company; or

''(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than $1,000,000.

''(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

''(A) IN GENERAL.—In the case of any bank holding company which is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

''(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act to—

''(i) examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under section 5;

''(ii) approve or disapprove applications or transactions under section 3;

''(iii) take actions and impose penalties under subsections (e) and (f) of section 5 and section 8; and

''(iv) take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute which the Board may designate.

''(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner such sections apply to orders issued by the Board.

''(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—The Board shall defer to—

''(A) the Securities and Exchange Commission with regard to all interpretations of, and the enforcement of, applicable Federal securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of registered brokers, dealers, investment advisers, and investment companies;

''(B) the relevant State securities authorities with regard to all interpretations of, and the enforcement of, applicable State securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of brokers, dealers, and investment advisers required to be registered under State law; and

''(C) the relevant State insurance authorities with regard to all interpretations of, and the enforcement of, applicable State insurance laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of insurance companies and insurance agents.''.

SEC. 112. ELIMINATION OF APPLICATION REQUIREMENT FOR FINANCIAL HOLDING COMPANIES.

(a) PREVENTION OF DUPLICATIVE FILINGS.—Section 5(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(a)) is amended by adding the following new sentence at the end: ''A declaration filed in accordance with section 6(b)(1)(D) shall satisfy the requirements of this subsection with regard to the registration of a bank holding company but not any requirement to file an application to acquire a bank pursuant to section 3.''.

(b) DIVESTITURE PROCEDURES.—Section 5(e)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(e)(1)) is amended—

(1) by striking ''Financial Institutions Supervisory Act of 1966, order'' and inserting ''Financial Institutions Supervisory Act of 1966, at the election of the bank holding company—

''(A) order''; and

(2) by striking ''shareholders of the bank holding company. Such distribution'' and inserting ''shareholders of the bank holding company; or

''(B) order the bank holding company, after due notice and opportunity for hearing, and after consultation with the primary supervisor for the bank, which shall be the Comptroller of the Currency in the case of a national bank, and the Federal Deposit Insurance Corporation and the appropriate State supervisor in the case of an insured nonmember bank, to terminate (within 120 days or such longer period as the Board may direct) the ownership or control of any such bank by such company.

The distribution referred to in subparagraph (A)''.

SEC. 113. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

(a) BANK HOLDING COMPANIES.—Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

''(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order,

or other action of the Board which requires a bank holding company to provide funds or other assets to a subsidiary insured depository institution shall not be effective nor enforceable with respect to an entity described in subparagraph (A) if—

''(A) such funds or assets are to be provided by—

''(i) a bank holding company that is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; or

''(ii) an affiliate of the depository institution which is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State ; and

''(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker, dealer, investment adviser (solely with respect to investment advisory activities or activities incidental thereto), or investment company, as the case may be, determines in writing sent to the holding company and the Board that the holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, investment company, or investment adviser, as the case may be.

''(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, which is an insurance company or a broker, dealer, investment company, or investment adviser described in paragraph (1)(A) to provide funds or assets to an insured depository institution subsidiary of the holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

''(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution not later than 180 days after receiving the notice, or such longer period as the Board determines consistent with the safe and sound operation of the insured depository institution.

''(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date the divestiture is completed, the Board may impose any conditions or restrictions on the holding company's ownership or operation of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.''.

(b) SUBSIDIARIES OF DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

''SEC. 45. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.

''(a) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the appropriate Federal banking agency which requires a subsidiary to provide funds or other assets to an insured depository institution shall not be effective nor enforceable with respect to an entity described in paragraph (1) if—

''(1) such funds or assets are to be provided by a subsidiary which is an insurance company, a broker or dealer registered under the Securities Exchange Act of 1934, an investment company registered under the Investment Company Act of 1940, or an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State; and

''(2) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, the investment company, or the investment adviser, as the case may be, determines in writing sent to the insured depository institution and the appropriate Federal banking agency that the subsidiary shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker, dealer, investment company, or investment adviser, as the case may be.

''(b) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the appropriate Federal banking agency requires a subsidiary, which is an insurance company, a broker or dealer, an investment company, or an investment adviser (solely with respect to investment advisory activities or activities incidental thereto) described in subsection (a)(1) to provide funds or assets to an insured depository institution pursuant to any regulation, order, or other action of the appropriate Federal banking agency referred to in subsection (a), the appropriate Federal banking agency shall promptly notify the State insurance authority for the insurance company, the Securities and Exchange Commission, or State securities regulator, as the case may be, of such requirement.

''(c) DIVESTITURE IN LIEU OF OTHER ACTION.—If the appropriate Federal banking agency receives a notice described in subsection (a)(2) from a State insurance authority or the Securities and Exchange Commission with regard to a subsidiary referred to in that subsection, the appropriate Federal banking agency may order the insured depository institution to divest the subsidiary not later than 180 days after receiving the notice, or such longer period as the appropriate Federal banking agency determines consistent with the safe and sound operation of the insured depository institution.

''(d) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the appropriate Federal banking agency under subsection (c) to an insured depository institution and ending on the date the divestiture is complete, the appropriate Federal banking agency may impose any conditions or restrictions on the insured depository institution's ownership of the subsidiary including restricting or prohibiting transactions between the insured depository institution and the subsidiary, as are appropriate under the circumstances.''.

SEC. 114. PRUDENTIAL SAFEGUARDS.

(a) COMPTROLLER OF THE CURRENCY.—

(1) IN GENERAL.—The Comptroller of the Currency may, by regulation or order, impose restrictions or requirements on relationships or transactions between a national bank and a subsidiary of the national bank which the Comptroller finds are consistent with the public interest, the purposes of this Act, title LXII of the Revised Statutes of the United States, and other Federal law applicable to national banks, and the standards in paragraph (2).

(2) STANDARDS.—The Comptroller of the Currency may exercise authority under paragraph (1) if the Comptroller finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the national bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) REVIEW.—The Comptroller of the Currency shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Comptroller finds is no longer required for such purposes.

(b) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System may, by regulation or order, impose restrictions or requirements on relationships or transactions—

(A) between a depository institution subsidiary of a bank holding company and any affiliate of such depository institution (other than a subsidiary of such institution); or

(B) between a State member bank and a subsidiary of such bank,

which the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve Act, and other Federal law applicable to depository institution subsidiaries of bank holding companies or State banks (as the case may be), and the standards in paragraph (2).

(2) STANDARDS.—The Board of Governors of the Federal Reserve System may exercise authority under paragraph (1) if the Board finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of bank holding companies.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State member bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between nonbank affiliates owned or controlled by domestic bank holding companies and nonbank affiliates owned or controlled by foreign banks operating in the United States.

(3) REVIEW.—The Board of Governors of the Federal Reserve System shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Board finds is no longer required for such purposes.

(4) FOREIGN BANKS.—

(A) IN GENERAL.—The Board may, by regulation or order, impose restrictions or requirements on relationships or transactions between a branch, agency, or commercial lending company of a foreign bank in the United States and any affiliate in the United States of such foreign bank that the Board finds are consistent with the public interest, the purposes of this Act, the Bank Holding Company Act of 1956, the Federal Reserve Act, and other Federal law applicable to foreign banks and their affiliates in the United States, and the standards in paragraphs (2) and (3).

(B) EVASION.—In the event that the Board determines that there may be circumstances that would result in an evasion of this paragraph, the Board may also impose restrictions or requirements on relationships or transactions between operations of a foreign bank outside the United States and any affiliate in the United States of such foreign bank that are consistent with national treatment and equality of competitive opportunity.

(c) FEDERAL DEPOSIT INSURANCE CORPORATION.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation may, by regulation or order, impose restrictions or requirements on relationships or transactions between a State nonmember bank (as defined in section 3 of the Federal Deposit Insurance Act) and a subsidiary of the State nonmember bank which the Corporation finds are consistent with the public interest, the purposes of this Act, the Federal Deposit Insurance Act, or other Federal law applicable to State nonmember banks and the standards in paragraph (2).

(2) STANDARDS.—The Federal Deposit Insurance Corporation may exercise authority under paragraph (1) if the Corporation finds that such action will have any of the following effects:

(A) Avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund.

(B) Enhance the financial stability of banks.

(C) Avoid conflicts of interest or other abuses.

(D) Enhance the privacy of customers of the State nonmember bank or any subsidiary of the bank.

(E) Promote the application of national treatment and equality of competitive opportunity between subsidiaries owned or controlled by domestic banks and subsidiaries owned or controlled by foreign banks operating in the United States.

(3) REVIEW.—The Federal Deposit Insurance Corporation shall regularly—

(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

(B) modify or eliminate any restriction or requirement the Corporation finds is no longer required for such purposes.

SEC. 115. EXAMINATION OF INVESTMENT COMPANIES.

(a) EXCLUSIVE COMMISSION AUTHORITY.—

(1) IN GENERAL.—Except as provided in paragraph (3), the Commission shall be the sole Federal agency with authority to inspect and examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(2) PROHIBITION ON BANKING AGENCIES.—Except as provided in paragraph (3), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(3) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this subsection prevents the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term ''bank holding company'' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(3) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(4) REGISTERED INVESTMENT COMPANY.—The term ''registered investment company'' means an investment company which is registered with the Commission under the Investment Company Act of 1940.

(5) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act.

SEC. 116. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

''SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.

''(a) LIMITATION ON DIRECT ACTION.—

''(1) IN GENERAL.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company unless the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

''(A) the financial safety, soundness, or stability of an affiliated depository institution; or

''(B) the domestic or international payment system.

''(2) CRITERIA FOR BOARD ACTION.—The Board shall not take action otherwise permitted under paragraph (1) unless the Board finds that it is not reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally.

''(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a financial holding company or a wholesale financial holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a regulated subsidiary that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

''(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a regulated subsidiary with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

''(d) REGULATED SUBSIDIARY DEFINED.—For purposes of this section, the term 'regulated subsidiary' means any company that is not a bank holding company and is—

''(1) a broker or dealer registered under the Securities Exchange Act of 1934;

''(2) an investment adviser registered by or on behalf of either the Securities and Exchange Commission or any State, whichever is required by law, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(3) an investment company registered under the Investment Company Act of 1940;

''(4) an insurance company or an insurance agency, with respect to the insurance activities and activities incidental to such insurance activities, subject to supervision by a State insurance commission, agency, or similar authority; or

''(5) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.''.

SEC. 117. EQUIVALENT REGULATION AND SUPERVISION.

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on bank holding companies and their nonbank subsidiaries or that require deference to other regulators; and

(2) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to bank holding companies and their nonbank subsidiaries,

shall also limit whatever authority that a Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) might otherwise have under any statute to require reports, make examinations, impose capital requirements or take any other direct or indirect action with respect to bank holding companies and their nonbank

subsidiaries (including nonbank subsidiaries of depository institutions), subject to the same standards and requirements as are applicable to the Board under such provisions.

(b) CERTAIN EXAMINATIONS AUTHORIZED.—No provision of this section shall be construed as preventing the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

SEC. 118. PROHIBITION ON FDIC ASSISTANCE TO AFFILIATES AND SUBSIDIARIES.

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking ''to benefit any shareholder of'' and inserting ''to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of''.

SEC. 119. REPEAL OF SAVINGS BANK PROVISIONS IN THE BANK HOLDING COMPANY ACT OF 1956.

Section 3(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(f)) is amended to read as follows:

''(f) [Repealed].''.

SEC. 120. TECHNICAL AMENDMENT.

Section 2(o)(1)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(A)) is amended by striking ''section 38(b)'' and inserting ''section 38''.

Subtitle C—Subsidiaries of National Banks

SEC. 121. PERMISSIBLE ACTIVITIES FOR SUBSIDIARIES OF NATIONAL BANKS.

(a) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.—Chapter one of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.

''(a) SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.—

''(1) EXCLUSIVE AUTHORITY.—No provision of section 5136 or any other provision of this title LXII of the Revised Statutes of the United States shall be construed as authorizing a subsidiary of a national bank to engage in, or own any share of or any other interest in any company engaged in, any activity that—

''(A) is not permissible for a national bank to engage in directly; or

''(B) is conducted under terms or conditions other than those that would govern the conduct of such activity by a national bank, unless a national bank is specifically authorized by the express terms of a Federal statute and not by implication or interpretation to acquire shares of or an interest in, or to control, such subsidiary, such as by paragraph (2) of this subsection and section 25A of the Federal Reserve Act.

''(2) SPECIFIC AUTHORIZATION TO CONDUCT ACTIVITIES WHICH ARE FINANCIAL IN NATURE.—Subject to paragraphs (3) and (4), a national bank may control a financial subsidiary, or hold an interest in a financial subsidiary, that is controlled by insured depository institutions or subsidiaries thereof.

''(3) ELIGIBILITY REQUIREMENTS.—A national bank may control or hold an interest in a company pursuant to paragraph (2) only if—

''(A) the national bank and all depository institution affiliates of the national bank are well capitalized;

''(B) the national bank and all depository institution affiliates of the national bank are well managed;

''(C) the national bank and all depository institution affiliates of such national bank have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such bank or institution; and

''(D) the bank has received the approval of the Comptroller of the Currency.

''(4) ACTIVITY LIMITATIONS.—In addition to any other limitation imposed on the activity of subsidiaries of national banks, a subsidiary of a national bank may not, pursuant to paragraph (2)—

''(A) engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than in connection with credit-related insurance) or in providing or issuing annuities;

''(B) engage in real estate investment or development activities; or

''(C) engage in any activity permissible for a financial holding company under paragraph (3)(I) of section 6(c) of the Bank Holding Company Act of 1956 (relating to insurance company investments).

''(5) SIZE FACTOR WITH REGARD TO FREE-STANDING NATIONAL BANKS.—Notwithstanding paragraph (2), a national bank which has total assets of $10,000,000,000 or more may not control a subsidiary engaged in financial activities pursuant to such paragraph unless such national bank is a subsidiary of a bank holding company.

''(6) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY AFFILIATED DEPOSITORY INSTITUTIONS.—Any depository institution which becomes an affiliate of a national bank during the 12-month period preceding the date of an approval by the Comptroller of the Currency under paragraph (3)(D) for such bank, and any depository institution which becomes an affiliate of the national bank after such date, may be excluded for purposes of paragraph (3)(C) during the 12-month period beginning on the date of such affiliation if—

''(A) the national bank or such depository institution has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution; and

''(B) the plan has been accepted by such agency.

''(7) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(A) COMPANY; CONTROL; AFFILIATE; SUBSIDIARY.—The terms 'company', 'control', 'affiliate', and 'subsidiary' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

''(B) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company which is a subsidiary of an insured bank and is engaged in financial activities that have been determined to be financial in nature or incidental to such financial activities in accordance with subsection (b) or permitted in accordance with subsection (b)(4), other than activities that are permissible for a national bank to engage in directly or that are authorized under the Bank Service Company Act, section 25 or 25A of the Federal Reserve Act, or any other Federal statute (other than this section) that specifically authorizes the conduct of such activities by its express terms and not by implication or interpretation.

''(C) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act and, for purposes of this section, the Comptroller shall have exclusive jurisdiction to determine whether a national bank is well capitalized.

''(D) WELL MANAGED.—The term 'well managed' means—

''(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

''(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

''(II) at least a rating of 2 for management, if that rating is given; or

''(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

''(E) INCORPORATED DEFINITIONS.—The terms 'appropriate Federal banking agency' and 'depository institution' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

''(b) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

''(1) FINANCIAL ACTIVITIES.—

''(A) IN GENERAL.—For purposes of subsection (a)(7)(B), an activity shall be considered to have been determined to be financial in nature or incidental to such financial activities only if—

''(i) such activity is permitted for a financial holding company pursuant to section 6(c)(3) of the Bank Holding Company Act of 1956 (to the extent such activity is not otherwise prohibited under this section or any other provision of law for a subsidiary of a national bank engaged in activities pursuant to subsection (a)(2)); or

''(ii) the Secretary of the Treasury determines the activity to be financial in nature or incidental to such financial activities in accordance with subparagraph (B) or paragraph (3).

''(B) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

''(i) PROPOSALS RAISED BEFORE THE SECRETARY OF THE TREASURY.—

''(I) CONSULTATION.—The Secretary of the Treasury shall notify the Board of, and consult with the Board concerning, any request, proposal, or application under this subsection, including any regulation or order proposed under paragraph (3), for a determination of whether an activity is financial in nature or incidental to such a financial activity.

''(II) BOARD VIEW.—The Secretary of the Treasury shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Board notifies the Secretary in writing, not later than 30 days after the date of receipt of the notice described in subclause (I) (or such longer period as the Secretary determines to be appropriate in light of the circumstances) that the Board believes that the activity is not financial in nature or incidental to a financial activity.

''(ii) PROPOSALS RAISED BY THE BOARD.—

''(I) BOARD RECOMMENDATION.—The Board may, at any time, recommend in writing that the Secretary of the Treasury find an activity to be financial in nature or incidental to a financial activity (other than an activity which the Board has sole authority to regulate under subparagraph (C)).

''(II) TIME PERIOD FOR SECRETARIAL ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Board under subclause (I) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Secretary shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Board in writing of the determination of the Secretary and, in the event that the Secretary determines not to seek public comment on the proposal, the reasons for that determination.

''(C) AUTHORITY OVER MERCHANT BANKING.—The Board shall have sole authority to prescribe regulations and issue interpretations to implement this paragraph with respect to activities described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

''(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Secretary shall take into account—

''(A) the purposes of this Act and the Financial Services Act of 1999;

''(B) changes or reasonably expected changes in the marketplace in which banks compete;

''(C) changes or reasonably expected changes in the technology for delivering financial services; and

''(D) whether such activity is necessary or appropriate to allow a bank and the subsidiaries of a bank to—

''(i) compete effectively with any company seeking to provide financial services in the United States;

''(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

''(iii) offer customers any available or emerging technological means for using financial services.

''(3) AUTHORIZATION OF NEW FINANCIAL ACTIVITIES.—The Secretary of the Treasury shall, by regulation or order and in accordance with paragraph (1)(B), define, consistent with the purposes of this Act, the following activities as, and the extent to which such activities are, financial in nature or incidental to activities which are financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities.

''(B) Providing any device or other instrumentality for transferring money or other financial assets.

''(C) Arranging, effecting, or facilitating financial transactions for the account of third parties.

''(4) DEVELOPING ACTIVITIES.—Subject to subsection (a)(2), a financial subsidiary of a national bank may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Secretary has not determined to be financial in nature or incidental to financial activities under this subsection if—

''(A) the subsidiary reasonably concludes that the activity is financial in nature or incidental to financial activities;

''(B) the gross revenues from all activities conducted under this paragraph represent less than 5 percent of the consolidated gross revenues of the national bank;

''(C) the aggregate total assets of all companies the shares of which are held under this paragraph do not exceed 5 percent of the national bank's consolidated total assets;

''(D) the total capital invested in activities conducted under this paragraph represents less than 5 percent of the consolidated total capital of the national bank;

''(E) neither the Secretary of the Treasury nor the Board has determined that the activity is not financial in nature or incidental to financial activities under this subsection; and

''(F) the national bank provides written notice to the Secretary of the Treasury describing the activity commenced by the subsidiary or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.

''(c) PROVISIONS APPLICABLE TO NATIONAL BANKS THAT FAIL TO MEET REQUIREMENTS.—

''(1) IN GENERAL.—If a national bank or depository institution affiliate is not in compliance with the requirements of subparagraph (A), (B), or (C) of subsection (a)(3), the appropriate Federal banking agency shall notify the Comptroller of the Currency, who shall give notice of such finding to the national bank.

''(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Not later than 45 days after receipt by a national bank of a notice given under paragraph (1) (or such additional period as the Comptroller of the Currency may permit), the national bank and any relevant affiliated depository institution shall execute an agreement acceptable to the Comptroller of the Currency and the other appropriate Federal banking agencies, if any, to comply with the requirements applicable under subsection (a)(3).

''(3) COMPTROLLER OF THE CURRENCY MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a national bank under paragraph (1) are corrected—

''(A) the Comptroller of the Currency may impose such limitations on the conduct or activities of the national bank or any subsidiary of the bank as the Comptroller of the Currency determines to be appropriate under the circumstances; and

''(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or any subsidiary of the depository institution as such agency determines to be appropriate under the circumstances.

''(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a national bank and other affiliated depository institutions do not—

''(A) execute and implement an agreement in accordance with paragraph (2);

''(B) comply with any limitations imposed under paragraph (3);

''(C) in the case of a notice of failure to comply with subsection (a)(3)(A), restore the national bank or any depository institution affiliate of the bank to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the national bank (or such other period permitted by the Comptroller of the Currency); or

''(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (a)(3), restore compliance with any such subparagraph on or before the date on which the next examination of the depository institution subsidiary is completed or by the end of such other period as the Comptroller of the Currency determines to be appropriate,

the Comptroller of the Currency may require such national bank, under such terms and conditions as may be imposed by the Comptroller of the Currency and subject to such extension of time as may be granted in the Comptroller of the Currency's discretion, to divest control of any subsidiary engaged in activities pursuant to subsection (a)(2) or, at the election of the national bank, instead to cease to engage in any activity conducted by a subsidiary of the national bank pursuant to subsection (a)(2).

''(5) CONSULTATION.—In taking any action under this subsection, the Comptroller of the Currency shall consult with all relevant Federal and State regulatory agencies.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

''5136A. Subsidiaries of national banks.''.

SEC. 122. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities as the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 45 (as added by section 113(b) of this title) the following new section:

''SEC. 46. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

''(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

''(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of

the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(3) TREATMENT OF RETAINED EARNINGS.—The amount of any net earnings retained by a financial subsidiary of an insured depository institution shall be treated as an outstanding equity investment of the bank in the subsidiary for purposes of paragraph (1).

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the meaning given to such term in section 5136A(a)(7)(B) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARIES AND OTHER AFFILIATES.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' means a company which is a subsidiary of a bank and is engaged in activities that are financial in nature or incidental to such financial activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank which is not a financial subsidiary) and notwithstanding subsection (b)(2) and section 23B(d)(1), the financial subsidiary of the bank—

''(A) shall be an affiliate of the bank and any other subsidiary of the bank which is not a financial subsidiary; and

''(B) shall not be treated as a subsidiary of the bank.

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of the bank for purposes of section 23A or section 23B of the Federal Reserve Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of subparagraph (A) and notwithstanding paragraph (4), the term 'affiliate' shall not include a bank, or a subsidiary of a bank, which is engaged exclusively in activities permissible for a national bank to engage in directly or which are authorized by any Federal law other than section 5136A of the Revised Statutes of the United States.

''(4) EQUITY INVESTMENTS EXCLUDED SUBJECT TO THE APPROVAL OF THE BANKING AGENCY.—Subsection (a)(1) shall not apply so as to limit the equity investment of a bank in a financial subsidiary of such bank, except that any investment that exceeds the amount of a dividend that the bank could pay at the time of the investment without obtaining prior approval of the appropriate Federal banking agency and is in excess of the limitation which would apply under subsection (a)(1), but for this paragraph, may be made only with the approval of the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) with respect to such bank.''.

(d) ANTITYING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 is amended by adding at the end the following new sentence: ''For purposes of this section, a subsidiary of a national bank which engages in activities pursuant to subsection (a)(2) or (b)(4) of section 5136A of the Revised Statutes of the United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.''.

SEC. 123. MISREPRESENTATIONS REGARDING DEPOSITORY INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

''§ 1008. Misrepresentations regarding financial institution liability for obligations of affiliates

''(a) IN GENERAL.—No institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution shall fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

''(b) CRIMINAL PENALTY.—Whoever violates subsection (a) shall be fined under this title, imprisoned for not more than 5 years, or both.

''(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term 'institution-affiliated party' has the same meaning as in section 3 of the Federal Deposit Insurance Act and any reference in that section shall also be deemed to refer to a subsidiary or affiliate of an insured depository institution.

''(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'affiliate', 'insured depository institution', and 'subsidiary' have same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

''1008. Misrepresentations regarding financial institution liability for obligations of affiliates.''.

SEC. 124. REPEAL OF STOCK LOAN LIMIT IN FEDERAL RESERVE ACT.

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking the paragraph designated as ''(m)'' and inserting ''(m) [Repealed]''.

Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

SEC. 131. WHOLESALE FINANCIAL HOLDING COMPANIES ESTABLISHED.

Section 10 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended to read as follows:

''SEC. 10. WHOLESALE FINANCIAL HOLDING COMPANIES.

''(a) COMPANIES THAT CONTROL WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) WHOLESALE FINANCIAL HOLDING COMPANY DEFINED.—The term 'wholesale financial holding company' means any company that—

''(A) is registered as a bank holding company;

''(B) is predominantly engaged in financial activities as defined in section 6(f)(2);

''(C) controls 1 or more wholesale financial institutions;

''(D) does not control—

''(i) a bank other than a wholesale financial institution;

''(ii) an insured bank other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2); or

''(iii) a savings association; and

''(E) is not a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

''(2) SAVINGS ASSOCIATION TRANSITION PERIOD.—Notwithstanding paragraph (1)(D)(iii), the Board may permit a company that controls a savings association and that otherwise meets the requirements of paragraph (1) to become supervised under paragraph (1), if the company divests control of any such savings association within such period not to exceed 5 years after becoming supervised under paragraph (1) as permitted by the Board.

''(b) SUPERVISION BY THE BOARD.—

''(1) IN GENERAL.—The provisions of this section shall govern the reporting, examination, and capital requirements of wholesale financial holding companies.

''(2) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any wholesale financial holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) the company's or subsidiary's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) the extent to which the company or subsidiary has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that the wholesale financial holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A wholesale financial holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(C) EXEMPTIONS FROM REPORTING REQUIREMENTS.—

''(i) IN GENERAL.—The Board may, by regulation or order, exempt any company or class

of companies, under such terms and conditions and for such periods as the Board shall provide in such regulation or order, from the provisions of this paragraph and any regulation prescribed under this paragraph.

''(ii) CRITERIA FOR CONSIDERATION.—In making any determination under clause (i) with regard to any exemption under such clause, the Board shall consider, among such other factors as the Board may determine to be appropriate, the following factors:

''(I) Whether information of the type required under this paragraph is available from a supervisory agency (as defined in section 1101(7) of the Right to Financial Privacy Act of 1978) or a foreign regulatory authority of a similar type.

''(II) The primary business of the company.

''(III) The nature and extent of the domestic and foreign regulation of the activities of the company.

''(3) EXAMINATIONS.—

''(A) LIMITED USE OF EXAMINATION AUTHORITY.—The Board may make examinations of each wholesale financial holding company and each subsidiary of such company in order to—

''(i) inform the Board regarding the nature of the operations and financial condition of the wholesale financial holding company and its subsidiaries;

''(ii) inform the Board regarding—

''(I) the financial and operational risks within the wholesale financial holding company system that may affect any depository institution owned by such holding company; and

''(II) the systems of the holding company and its subsidiaries for monitoring and controlling those risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution controlled by the wholesale financial holding company and any of the company's other subsidiaries.

''(B) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a wholesale financial holding company under this paragraph to—

''(i) the holding company; and

''(ii) any subsidiary (other than an insured depository institution subsidiary) of the holding company that, because of the size, condition, or activities of the subsidiary, the nature or size of transactions between such subsidiary and any affiliated depository institution, or the centralization of functions within the holding company system, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(C) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use the reports of examination of depository institutions made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision or the appropriate State depository institution supervisory authority for the purposes of this section.

''(D) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and by instead reviewing the reports of examination made of—

''(i) any registered broker or dealer or any registered investment adviser by or on behalf of the Commission; and

''(ii) any licensed insurance company by or on behalf of any State government insurance agency responsible for the supervision of the insurance company.

''(E) CONFIDENTIALITY OF REPORTED INFORMATION.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, the Board shall not be compelled to disclose any nonpublic information required to be reported under this paragraph, or any information supplied to the Board by any domestic or foreign regulatory agency, that relates to the financial or operational condition of any wholesale financial holding company or any subsidiary of such company.

''(ii) COMPLIANCE WITH REQUESTS FOR INFORMATION.—No provision of this subparagraph shall be construed as authorizing the Board to withhold information from the Congress, or preventing the Board from complying with a request for information from any other Federal department or agency for purposes within the scope of such department's or agency's jurisdiction, or from complying with any order of a court of competent jurisdiction in an action brought by the United States or the Board.

''(iii) COORDINATION WITH OTHER LAW.—For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered to be a statute described in subsection (b)(3)(B) of such section.

''(iv) DESIGNATION OF CONFIDENTIAL INFORMATION.—In prescribing regulations to carry out the requirements of this subsection, the Board shall designate information described in or obtained pursuant to this paragraph as confidential information.

''(F) COSTS.—The cost of any examination conducted by the Board under this section may be assessed against, and made payable by, the wholesale financial holding company.

''(4) CAPITAL ADEQUACY GUIDELINES.—

''(A) CAPITAL ADEQUACY PROVISIONS.—Subject to the requirements of, and solely in accordance with, the terms of this paragraph, the Board may adopt capital adequacy rules or guidelines for wholesale financial holding companies.

''(B) METHOD OF CALCULATION.—In developing rules or guidelines under this paragraph, the following provisions shall apply:

''(i) FOCUS ON DOUBLE LEVERAGE.—The Board shall focus on the use by wholesale financial holding companies of debt and other liabilities to fund capital investments in subsidiaries.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Board shall not, by regulation, guideline, order, or otherwise, impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that—

''(I) is not a depository institution; and

''(II) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority.

''(iv) LIMITATION.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that is not a depository institution and that is registered as an investment adviser under the Investment Advisers Act of 1940, except that this clause shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

''(v) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, unless the investment company is—

''(I) a bank holding company; or

''(II) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, and the shares owned by the bank holding company have a market value equal to more than $1,000,000.

''(vi) APPROPRIATE EXCLUSIONS.—The Board shall take full account of—

''(I) the capital requirements made applicable to any subsidiary that is not a depository institution by another Federal regulatory authority or State insurance authority; and

''(II) industry norms for capitalization of a company's unregulated subsidiaries and activities.

''(vii) INTERNAL RISK MANAGEMENT MODELS.—The Board may incorporate internal risk management models of wholesale financial holding companies into its capital adequacy guidelines or rules and may take account of the extent to which resources of a subsidiary depository institution may be used to service the debt or other liabilities of the wholesale financial holding company.

''(c) NONFINANCIAL ACTIVITIES AND INVESTMENTS.—

''(1) GRANDFATHERED ACTIVITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a company that becomes a wholesale financial holding company may continue to engage, directly or indirectly, in any activity and may retain ownership and control of shares of a company engaged in any activity if—

''(i) on the date of the enactment of the Financial Services Act of 1999, such wholesale financial holding company was lawfully engaged in that nonfinancial activity, held the shares of such company, or had entered into a contract to acquire shares of any company engaged in such activity; and

''(ii) the company engaged in such activity continues to engage only in the same activities that such company conducted on the date of the enactment of the Financial Services Act of 1999, and other activities permissible under this Act.

''(B) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A wholesale financial holding company that engages in activities or holds shares pursuant to this paragraph, or a subsidiary of such wholesale financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under section 6(c).

''(C) LIMITATION TO SINGLE EXEMPTION.—No company that engages in any activity or controls any shares under subsection (f) of section 6 may engage in any activity or own any shares pursuant to this paragraph.

''(2) COMMODITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company

which was predominately engaged as of January 1, 1997, in financial activities in the United States (or any successor to any such company) may engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of January 1, 1997, if such wholesale financial holding company, or any subsidiary of such holding company, was engaged directly, indirectly, or through any such company in any of such activities as of January 1, 1997, in the United States.

''(B) LIMITATION.—The attributed aggregate consolidated assets of a wholesale financial holding company held under the authority granted under this paragraph and not otherwise permitted to be held by all wholesale financial holding companies under this section may not exceed 5 percent of the total consolidated assets of the wholesale financial holding company, except that the Board may increase such percentage of total consolidated assets by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act.

''(3) CROSS MARKETING RESTRICTIONS.—A wholesale financial holding company shall not permit—

''(A) any company whose shares it owns or controls pursuant to paragraph (1) or (2) to offer or market any product or service of an affiliated wholesale financial institution; or

''(B) any affiliated wholesale financial institution to offer or market any product or service of any company whose shares are owned or controlled by such wholesale financial holding company pursuant to such paragraphs.

''(d) QUALIFICATION OF FOREIGN BANK AS WHOLESALE FINANCIAL HOLDING COMPANY.—

''(1) IN GENERAL.—Any foreign bank, or any company that owns or controls a foreign bank, that operates a branch, agency, or commercial lending company in the United States, including a foreign bank or company that owns or controls a wholesale financial institution, may request a determination from the Board that such bank or company be treated as a wholesale financial holding company other than for purposes of subsection (c), subject to such conditions as the Board considers appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity and the requirements imposed on domestic banks and companies.

''(2) CONDITIONS FOR TREATMENT AS A WHOLESALE FINANCIAL HOLDING COMPANY.—A foreign bank and a company that owns or controls a foreign bank may not be treated as a wholesale financial holding company unless the bank and company meet and continue to meet the following criteria:

''(A) NO INSURED DEPOSITS.—No deposits held directly by a foreign bank or through an affiliate (other than an institution described in subparagraph (D) or (F) of section 2(c)(2)) are insured under the Federal Deposit Insurance Act.

''(B) CAPITAL STANDARDS.—The foreign bank meets risk-based capital standards comparable to the capital standards required for a wholesale financial institution, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(C) TRANSACTION WITH AFFILIATES.—Transactions between a branch, agency, or commercial lending company subsidiary of the foreign bank in the United States, and any securities affiliate or company in which the foreign bank (or any company that owns or controls such foreign bank) has invested, directly or indirectly, and which engages in any activity pursuant to subsection (c) or (g) of section 6, comply with the provisions of sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as such transactions would be required to comply with such sections if the bank were a member bank.

''(3) TREATMENT AS A WHOLESALE FINANCIAL INSTITUTION.—Any foreign bank which is, or is affiliated with a company which is, treated as a wholesale financial holding company under this subsection shall be treated as a wholesale financial institution for purposes of subsections (c)(1)(C) and (c)(3) of section 9B of the Federal Reserve Act, and any such foreign bank or company shall be subject to paragraphs (3), (4), and (5) of section 9B(d) of the Federal Reserve Act, except that the Board may adopt such modifications, conditions, or exemptions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(4) SUPERVISION OF FOREIGN BANK WHICH MAINTAINS NO BANKING PRESENCE OTHER THAN CONTROL OF A WHOLESALE FINANCIAL INSTITUTION.—A foreign bank that owns or controls a wholesale financial institution but does not operate a branch, agency, or commercial lending company in the United States (and any company that owns or controls such foreign bank) may request a determination from the Board that such bank or company be treated as a wholesale financial holding company, except that such bank or company shall be subject to the restrictions of paragraphs (2)(A) and (3) of this subsection.

''(5) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the authority of the Board under the International Banking Act of 1978 with respect to the regulation, supervision, or examination of foreign banks and their offices and affiliates in the United States.

''(6) APPLICABILITY OF COMMUNITY REINVESTMENT ACT OF 1977.—The branches in the United States of a foreign bank that is, or is affiliated with a company that is, treated as a wholesale financial holding company shall be subject to section 9B(b)(11) of the Federal Reserve Act as if the foreign bank were a wholesale financial institution under such section. The Board and the Comptroller of the Currency shall apply the provisions of sections 803(2), 804, and 807(1) of the Community Reinvestment Act of 1977 to branches of foreign banks which receive only such deposits as are permissible for receipt by a corporation organized under section 25A of the Federal Reserve Act, in the same manner and to the same extent such sections apply to such a corporation.''.

SEC. 132. AUTHORIZATION TO RELEASE REPORTS.

(a) FEDERAL RESERVE ACT.—The last sentence of the eighth undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended to read as follows: ''The Board of Governors of the Federal Reserve System, at its discretion, may furnish reports of examination or other confidential supervisory information concerning State member banks or any other entities examined under any other authority of the Board to any Federal or State authorities with supervisory or regulatory authority over the examined entity, to officers, directors, or receivers of the examined entity, and to any other person that the Board determines to be proper.''.

(b) COMMODITY FUTURES TRADING COMMISSION.—The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(7) of the (12 U.S.C. 3401(7))—

(A) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G) the Commodity Futures Trading Commission; or''; and

(2) in section 1112(e), by striking ''and the Securities and Exchange Commission'' and inserting '', the Securities and Exchange Commission, and the Commodity Futures Trading Commission''.

SEC. 133. CONFORMING AMENDMENTS.

(a) BANK HOLDING COMPANY ACT OF 1956.—

(1) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by inserting after subsection (p) (as added by section 103(b)(1)) the following new subsections:

''(q) WHOLESALE FINANCIAL INSTITUTION.—The term 'wholesale financial institution' means a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(r) COMMISSION.—The term 'Commission' means the Securities and Exchange Commission.

''(s) DEPOSITORY INSTITUTION.—The term 'depository institution'—

''(1) has the meaning given to such term in section 3 of the Federal Deposit Insurance Act; and

''(2) includes a wholesale financial institution.''.

(2) DEFINITION OF BANK INCLUDES WHOLESALE FINANCIAL INSTITUTION.—Section 2(c)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(1)) is amended by adding at the end the following new subparagraph:

''(C) A wholesale financial institution.''.

(3) INCORPORATED DEFINITIONS.—Section 2(n) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(n)) is amended by inserting '' 'insured bank','' after '' 'in danger of default',''.

(4) EXCEPTION TO DEPOSIT INSURANCE REQUIREMENT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by adding at the end the following: ''This subsection shall not apply to a wholesale financial institution.''.

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(q)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(2)(A)) is amended to read as follows:

''(A) any State member insured bank (except a District bank) and any wholesale financial institution subject to section 9B of the Federal Reserve Act;''.

CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

SEC. 136. WHOLESALE FINANCIAL INSTITUTIONS.

(a) NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136A (as added by section 121(a) of this title) the following new section:

''SEC. 5136B. NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.

''(a) AUTHORIZATION OF THE COMPTROLLER REQUIRED.—A national bank may apply to the Comptroller on such forms and in accordance with such regulations as the Comptroller may prescribe, for permission to operate as a national wholesale financial institution.

''(b) REGULATION.—A national wholesale financial institution may exercise, in accordance with such institution's articles of incorporation and regulations issued by the Comptroller, all the powers and privileges of a national bank formed in accordance with section 5133 of the Revised Statutes of the United States, subject to section 9B of the Federal Reserve Act and the limitations and restrictions contained therein.

''(c) COMMUNITY REINVESTMENT ACT OF 1977.—A national wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

(2) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended by inserting after the item relating to section 5136A (as added by section 121(d) of this title) the following new item:

''5136B. National wholesale financial institutions.''.

(b) WHOLESALE FINANCIAL INSTITUTIONS.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 9A the following new section:

''SEC. 9B. WHOLESALE FINANCIAL INSTITUTIONS.

''(a) APPLICATION FOR MEMBERSHIP AS WHOLESALE FINANCIAL INSTITUTION.—

''(1) APPLICATION REQUIRED.—

''(A) IN GENERAL.—Any bank may apply to the Board of Governors of the Federal Reserve System to become a State wholesale financial institution, or to the Comptroller of the Currency to become a national wholesale financial institution, and, as a wholesale financial institution, to subscribe to the stock of the Federal reserve bank organized within the district where the applying bank is located.

''(B) TREATMENT AS MEMBER BANK.—Any application under subparagraph (A) shall be treated as an application under, and shall be subject to the provisions of, section 9.

''(2) INSURANCE TERMINATION.—No bank the deposits of which are insured under the Federal Deposit Insurance Act may become a wholesale financial institution unless it has met all requirements under that Act for voluntary termination of deposit insurance.

''(b) GENERAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) FEDERAL RESERVE ACT.—Except as otherwise provided in this section, wholesale financial institutions shall be member banks and shall be subject to the provisions of this Act that apply to member banks to the same extent and in the same manner as State member insured banks or national banks, except that a wholesale financial institution may terminate membership under this Act only with the prior written approval of the Board and on terms and conditions that the Board determines are appropriate to carry out the purposes of this Act.

''(2) PROMPT CORRECTIVE ACTION.—A wholesale financial institution shall be deemed to be an insured depository institution for purposes of section 38 of the Federal Deposit Insurance Act except that—

''(A) the relevant capital levels and capital measures for each capital category shall be the levels specified by the Board for wholesale financial institutions;

''(B) subject to subparagraph (A), all references to the appropriate Federal banking agency or to the Corporation in that section shall be deemed to be references to the Comptroller of the Currency, in the case of a national wholesale financial institution, and to the Board, in the case of all other wholesale financial institutions; and

''(C) in the case of wholesale financial institutions, the purpose of prompt corrective action shall be to protect taxpayers and the financial system from the risks associated with the operation and activities of wholesale financial institutions.

''(3) ENFORCEMENT AUTHORITY.—Section 3(u), subsections (j) and (k) of section 7, subsections (b) through (n), (s), (u), and (v) of section 8, and section 19 of the Federal Deposit Insurance Act shall apply to a wholesale financial institution in the same manner and to the same extent as such provisions apply to State member insured banks or national banks, as the case may be, and any reference in such sections to an insured depository institution shall be deemed to include a reference to a wholesale financial institution.

''(4) CERTAIN OTHER STATUTES APPLICABLE.—A wholesale financial institution shall be deemed to be a banking institution, and the Board shall be the appropriate Federal banking agency for such bank and all such bank's affiliates, for purposes of the International Lending Supervision Act.

''(5) BANK MERGER ACT.—A wholesale financial institution shall be subject to sections 18(c) and 44 of the Federal Deposit Insurance Act in the same manner and to the same extent the wholesale financial institution would be subject to such sections if the institution were a State member insured bank or a national bank.

''(6) BRANCHING.—Notwithstanding any other provision of law, a wholesale financial institution may establish and operate a branch at any location on such terms and conditions as established by, and with the approval of—

''(A) the Board, in the case of a State-chartered wholesale financial institution; and

''(B) the Comptroller of the Currency, in the case of a national bank wholesale financial institution.

''(7) ACTIVITIES OF OUT-OF-STATE BRANCHES OF WHOLESALE FINANCIAL INSTITUTIONS.—A State-chartered wholesale financial institution shall be deemed to be a State bank and an insured State bank for purposes of paragraphs (1), (2), and (3) of section 24(j) of the Federal Deposit Insurance Act.

''(8) DISCRIMINATION REGARDING INTEREST RATES.—Section 27 of the Federal Deposit Insurance Act shall apply to State-chartered wholesale financial institutions in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such section to a State-chartered insured depository institution shall be deemed to include a reference to a State-chartered wholesale financial institution.

''(9) PREEMPTION OF STATE LAWS REQUIRING DEPOSIT INSURANCE FOR WHOLESALE FINANCIAL INSTITUTIONS.—The appropriate State banking authority may grant a charter to a wholesale financial institution notwithstanding any State constitution or statute requiring that the institution obtain insurance of its deposits and any such State constitution or statute is hereby preempted solely for purposes of this paragraph.

''(10) PARITY FOR WHOLESALE FINANCIAL INSTITUTIONS.—A State bank that is a wholesale financial institution under this section shall have all of the rights, powers, privileges, and immunities (including those derived from status as a federally chartered institution) of and as if it were a national bank, subject to such terms and conditions as established by the Board.

''(11) COMMUNITY REINVESTMENT ACT OF 1977.—A State wholesale financial institution shall be subject to the Community Reinvestment Act of 1977.

''(c) SPECIFIC REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) LIMITATIONS ON DEPOSITS.—

''(A) MINIMUM AMOUNT.—

''(i) IN GENERAL.—No wholesale financial institution may receive initial deposits of $100,000 or less, other than on an incidental and occasional basis.

''(ii) LIMITATION ON DEPOSITS OF LESS THAN $100,000.—No wholesale financial institution may receive initial deposits of $100,000 or less if such deposits constitute more than 5 percent of the institution's total deposits.

''(B) NO DEPOSIT INSURANCE.—Except as otherwise provided in section 8A(f) of the Federal Deposit Insurance Act, no deposits held by a wholesale financial institution shall be insured deposits under the Federal Deposit Insurance Act.

''(C) ADVERTISING AND DISCLOSURE.—The Board and the Comptroller of the Currency shall prescribe jointly regulations pertaining to advertising and disclosure by wholesale financial institutions to ensure that each depositor is notified that deposits at the wholesale financial institution are not federally insured or otherwise guaranteed by the United States Government.

''(2) MINIMUM CAPITAL LEVELS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—The Board shall, by regulation, adopt capital requirements for wholesale financial institutions—

''(A) to account for the status of wholesale financial institutions as institutions that accept deposits that are not insured under the Federal Deposit Insurance Act; and

''(B) to provide for the safe and sound operation of the wholesale financial institution without undue risk to creditors or other persons, including Federal reserve banks, engaged in transactions with the bank.

''(3) ADDITIONAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—In addition to any requirement otherwise applicable to State member insured banks or applicable, under this section, to wholesale financial institutions, the Board may impose, by regulation or order, upon wholesale financial institutions—

''(A) limitations on transactions, direct or indirect, with affiliates to prevent—

''(i) the transfer of risk to the deposit insurance funds; or

''(ii) an affiliate from gaining access to, or the benefits of, credit from a Federal reserve bank, including overdrafts at a Federal reserve bank;

''(B) special clearing balance requirements; and

''(C) any additional requirements that the Board determines to be appropriate or necessary to—

''(i) promote the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(ii) prevent the transfer of risk to the deposit insurance funds; or

''(iii) protect creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(4) EXEMPTIONS FOR WHOLESALE FINANCIAL INSTITUTIONS.—The Board may, by regulation or order, exempt any wholesale financial institution from any provision applicable to a member bank that is not a wholesale financial institution, if the Board finds that such exemption is consistent with—

''(A) the promotion of the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(B) the protection of the deposit insurance funds; and

''(C) the protection of creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(5) LIMITATION ON TRANSACTIONS BETWEEN A WHOLESALE FINANCIAL INSTITUTION AND AN INSURED BANK.—For purposes of section 23A(d)(1) of the Federal Reserve Act, a wholesale financial institution that is affiliated with an insured bank shall not be a bank.

''(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the Board's authority over member banks or the authority of the Comptroller of the Currency over national banks under any other provision of law, or to create any obligation for any Federal Reserve bank to make, increase, renew, or extend any advance or discount under this Act to any member bank or other depository institution.

''(d) CAPITAL AND MANAGERIAL REQUIREMENTS.—

''(1) IN GENERAL.—A wholesale financial institution shall be well capitalized and well managed.

''(2) NOTICE TO COMPANY.—The Board shall promptly provide notice to a company that controls a wholesale financial institution whenever such wholesale financial institution is not well capitalized or well managed.

''(3) AGREEMENT TO RESTORE INSTITUTION.—Not later than 45 days after the date of receipt of a notice under paragraph (2) (or such additional period not to exceed 90 days as the Board may permit), the company shall execute an agreement acceptable to the Board to restore the wholesale financial institution to compliance with all of the requirements of paragraph (1).

''(4) LIMITATIONS UNTIL INSTITUTION RESTORED.—Until the wholesale financial institution is restored to compliance with all of the requirements of paragraph (1), the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

''(5) FAILURE TO RESTORE.—If the company does not execute and implement an agreement in accordance with paragraph (3), comply with any limitation imposed under paragraph (4), restore the wholesale financial institution to well capitalized status not later than 180 days after the date of receipt by the company of the notice described in paragraph (2), or restore the wholesale financial institution to well managed status within such period as the Board may permit, the company shall, under such terms and conditions as may be imposed by the Board subject to such extension of time as may be granted in the discretion of the Board, divest control of its subsidiary depository institutions.

''(6) WELL MANAGED DEFINED.—For purposes of this subsection, the term 'well managed' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(e) RESOLUTION OF WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) CONSERVATORSHIP OR RECEIVERSHIP.—

''(A) APPOINTMENT.—The Board may appoint a conservator or receiver to take possession and control of a wholesale financial institution to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank.

''(B) POWERS.—The conservator or receiver for a wholesale financial institution shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

''(2) BOARD AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed under paragraph (1), and the wholesale financial institution for which it has been appointed, as the Comptroller of the Currency has with respect to a conservator or receiver for a national bank and the national bank for which the conservator or receiver has been appointed.

''(3) BANKRUPTCY PROCEEDINGS.—The Comptroller of the Currency (in the case of a national wholesale financial institution) or the Board may direct the conservator or receiver of a wholesale financial institution to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the wholesale financial institution in lieu of otherwise applicable Federal or State insolvency law.

''(f) BOARD BACKUP AUTHORITY.—

''(1) NOTICE TO THE COMPTROLLER.—Before taking any action under section 8 of the Federal Deposit Insurance Act involving a wholesale financial institution that is chartered as a national bank, the Board shall notify the Comptroller and recommend that the Comptroller take appropriate action. If the Comptroller fails to take the recommended action or to provide an acceptable plan for addressing the concerns of the Board before the close of the 30-day period beginning on the date of receipt of the formal recommendation from the Board, the Board may take such action.

''(2) EXIGENT CIRCUMSTANCES.—Notwithstanding paragraph (1), the Board may exercise its authority without regard to the time period set forth in paragraph (1) where the Board finds that exigent circumstances exist and the Board notifies the Comptroller of the Board's action and of the exigent circumstances.

''(g) EXCLUSIVE JURISDICTION.—Subsections (c) and (e) of section 43 of the Federal Deposit Insurance Act shall not apply to any wholesale financial institution.''.

(c) VOLUNTARY TERMINATION OF INSURED STATUS BY CERTAIN INSTITUTIONS.—

(1) SECTION 8 DESIGNATIONS.—Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively.

(2) VOLUNTARY TERMINATION OF INSURED STATUS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 8 the following new section:

''SEC. 8A. VOLUNTARY TERMINATION OF STATUS AS INSURED DEPOSITORY INSTITUTION.

''(a) IN GENERAL.—Except as provided in subsection (b), an insured State bank or a national bank may voluntarily terminate such bank's status as an insured depository institution in accordance with regulations of the Corporation if—

''(1) the bank provides written notice of the bank's intent to terminate such insured status—

''(A) to the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or to the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale financial institution, not less than 6 months before the effective date of such termination; and

''(B) to all depositors at such bank, not less than 6 months before the effective date of the termination of such status; and

''(2) either—

''(A) the deposit insurance fund of which such bank is a member equals or exceeds the fund's designated reserve ratio as of the date the bank provides a written notice under paragraph (1) and the Corporation determines that the fund will equal or exceed the applicable designated reserve ratio for the 2 semiannual assessment periods immediately following such date; or

''(B) the Corporation and the Board of Governors of the Federal Reserve System, in the case of an insured State bank, or the Corporation and the Comptroller of the Currency, in the case of an insured national bank authorized to operate as a wholesale financial institution, has approved the termination of the bank's insured status and the bank pays an exit fee in accordance with subsection (e).

''(b) EXCEPTION.—Subsection (a) shall not apply with respect to—

''(1) an insured savings association; or

''(2) an insured branch that is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978.

''(c) ELIGIBILITY FOR INSURANCE TERMINATED.—Any bank that voluntarily elects to terminate the bank's insured status under subsection (a) shall not be eligible for insurance on any deposits or any assistance authorized under this Act after the period specified in subsection (f)(1).

''(d) INSTITUTION MUST BECOME WHOLESALE FINANCIAL INSTITUTION OR TERMINATE DEPOSIT-TAKING ACTIVITIES.—Any depository institution which voluntarily terminates such institution's status as an insured depository institution under this section may not, upon termination of insurance, accept any deposits unless the institution is a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(e) EXIT FEES.—

''(1) IN GENERAL.—Any bank that voluntarily terminates such bank's status as an insured depository institution under this section shall pay an exit fee in an amount that the Corporation determines is sufficient to account for the institution's pro rata share of the amount (if any) which would be required to restore the relevant deposit insurance fund to the fund's designated reserve ratio as of the date the bank provides a written notice under subsection (a)(1).

''(2) PROCEDURES.—The Corporation shall prescribe, by regulation, procedures for assessing any exit fee under this subsection.

''(f) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—

''(1) TRANSITION PERIOD.—The insured deposits of each depositor in a State bank or a national bank on the effective date of the voluntary termination of the bank's insured status, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of not less than 6 months and not more than 2 years, as determined by the Corporation. During such period, no additions to any such deposits, and no new deposits in the depository institution made after the effective date of such termination shall be insured by the Corporation.

''(2) TEMPORARY ASSESSMENTS; OBLIGATIONS AND DUTIES.—During the period specified in paragraph (1) with respect to any bank, the bank shall continue to pay assessments under section 7 as if the bank were an insured depository institution. The bank shall,

in all other respects, be subject to the authority of the Corporation and the duties and obligations of an insured depository institution under this Act during such period, and in the event that the bank is closed due to an inability to meet the demands of the bank's depositors during such period, the Corporation shall have the same powers and rights with respect to such bank as in the case of an insured depository institution.

''(g) ADVERTISEMENTS.—

''(1) IN GENERAL.—A bank that voluntarily terminates the bank's insured status under this section shall not advertise or hold itself out as having insured deposits, except that the bank may advertise the temporary insurance of deposits under subsection (f) if, in connection with any such advertisement, the advertisement also states with equal prominence that additions to deposits and new deposits made after the effective date of the termination are not insured.

''(2) CERTIFICATES OF DEPOSIT, OBLIGATIONS, AND SECURITIES.—Any certificate of deposit or other obligation or security issued by a State bank or a national bank after the effective date of the voluntary termination of the bank's insured status under this section shall be accompanied by a conspicuous, prominently displayed notice that such certificate of deposit or other obligation or security is not insured under this Act.

''(h) NOTICE REQUIREMENTS.—

''(1) NOTICE TO THE CORPORATION.—The notice required under subsection (a)(1)(A) shall be in such form as the Corporation may require.

''(2) NOTICE TO DEPOSITORS.—The notice required under subsection (a)(1)(B) shall be—

''(A) sent to each depositor's last address of record with the bank; and

''(B) in such manner and form as the Corporation finds to be necessary and appropriate for the protection of depositors.''.

(3) DEFINITION.—Section 19(b)(1)(A)(i) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)) is amended by inserting '', or any wholesale financial institution subject to section 9B of this Act'' after ''such Act''.

(d) TECHNICAL AND CONFORMING AMENDMENTS TO THE BANKRUPTCY CODE.—

(1) BANKRUPTCY CODE DEBTORS.—Section 109(b)(2) of title 11, United States Code, is amended by striking ''; or'' and inserting the following: '', except that—

''(A) a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Comptroller of the Currency (in the case of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States) or the Board of Governors of the Federal Reserve System (in the case of any wholesale financial institution); and

''(B) a corporation organized under section 25A of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Board of Governors of the Federal Reserve System; or''.

(2) CHAPTER 7 DEBTORS.—Section 109(d) of title 11, United States Code, is amended to read as follows:

''(d) Only a railroad and a person that may be a debtor under chapter 7 of this title, except that a stockbroker, a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, a corporation organized under section 25A of the Federal Reserve Act, or a commodity broker, may be a debtor under chapter 11 of this title.''.

(3) DEFINITION OF FINANCIAL INSTITUTION.—Section 101(22) of title 11, United States Code, is amended to read as follows:

''(22) 'financial institution' means a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or corporation organized under section 25A of the Federal Reserve Act and, when any such person is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer,''.

(4) SUBCHAPTER V OF CHAPTER 7.—

(A) IN GENERAL.—Section 103 of title 11, United States Code, is amended—

(i) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(ii) by inserting after subsection (d) the following:

''(e) Subchapter V of chapter 7 of this title applies only in a case under such chapter concerning the liquidation of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.''.

(B) WHOLESALE BANK LIQUIDATION.—Chapter 7 of title 11, United States Code, is amended by adding at the end the following:

''SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

''§ 781. Definitions for subchapter

''In this subchapter—

''(1) the term 'Board' means the Board of Governors of the Federal Reserve System;

''(2) the term 'depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any wholesale bank;

''(3) the term 'national wholesale financial institution' means a wholesale financial institution established under section 5136B of the Revised Statutes of the United States; and

''(4) the term 'wholesale bank' means a national wholesale financial institution, a wholesale financial institution established under section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.

''§ 782. Selection of trustee

''(a) Notwithstanding any other provision of this title, the conservator or receiver who files the petition shall be the trustee under this chapter, unless the Comptroller of the Currency (in the case of a national wholesale financial institution for which it appointed the conservator or receiver) or the Board (in the case of any wholesale bank for which it appointed the conservator or receiver) designates an alternative trustee. The Comptroller of the Currency or the Board (as applicable) may designate a successor trustee, if required.

''(b) Whenever the Comptroller of the Currency or the Board appoints or designates a trustee, chapter 3 and sections 704 and 705 of this title shall apply to the Comptroller or the Board, as applicable, in the same way and to the same extent that they apply to a United States trustee.

''§ 783. Additional powers of trustee

''(a) The trustee under this subchapter has power to distribute property not of the estate, including distributions to customers that are mandated by subchapters III and Iv of this chapter.

''(b) The trustee under this subchapter may, after notice and a hearing—

''(1) sell the wholesale bank to a depository institution or consortium of depository institutions (which consortium may agree on the allocation of the wholesale bank among the consortium);

''(2) merge the wholesale bank with a depository institution;

''(3) transfer contracts to the same extent as could a receiver for a depository institution under paragraphs (9) and (10) of section 11(e) of the Federal Deposit Insurance Act;

''(4) transfer assets or liabilities to a depository institution;

''(5) transfer assets and liabilities to a bridge bank as provided in paragraphs (1), (3)(A), (5), (6), and (9) through (13), and subparagraphs (A) through (H) and (K) of paragraph (4) of section 11(n) of the Federal Deposit Insurance Act, except that—

''(A) the bridge bank shall be treated as a wholesale bank for the purpose of this subsection; and

''(B) any references in any such provision of law to the Federal Deposit Insurance Corporation shall be construed to be references to the appointing agency and that references to deposit insurance shall be omitted.

''(c) Any reference in this section to transfers of liabilities includes a ratable transfer of liabilities within a priority class.

''§ 784. Right to be heard

''The Comptroller of the Currency (in the case of a national wholesale financial institution), the Board (in the case of any wholesale bank), or a Federal Reserve bank (in the case of a wholesale bank that is a member of that bank) may raise and may appear and be heard on any issue in a case under this subchapter.

(C) CONFORMING AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by adding at the end the following:

''SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

''781. Definitions for subchapter.
''782. Selection of trustee.
''783. Additional powers of trustee.
''784. Right to be heard.''.

(e) RESOLUTION OF EDGE CORPORATIONS.—The 16th undesignated paragraph of section 25A of the Federal Reserve Act (12 U.S.C. 624) is amended to read as follows:

''(16) APPOINTMENT OF RECEIVER OR CONSERVATOR.—

''(A) IN GENERAL.—The Board may appoint a conservator or receiver for a corporation organized under the provisions of this section to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank, and the conservator or receiver for such corporation shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

''(B) EQUIVALENT AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed for a corporation organized under the provisions of this section under this paragraph and any such corporation as the Comptroller of the Currency has with respect to a conservator or receiver of a national bank and the national bank for which a conservator or receiver has been appointed.

''(C) TITLE 11 PETITIONS.—The Board may direct the conservator or receiver of a corporation organized under the provisions of this section to file a petition pursuant to title 11, United States Code, in which case,

title 11, United States Code, shall apply to the corporation in lieu of otherwise applicable Federal or State insolvency law.''.

Subtitle E—Preservation of FTC Authority

SEC. 141. AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956 TO MODIFY NOTIFICATION AND POST-APPROVAL WAITING PERIOD FOR SECTION 3 TRANSACTIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting ''and, if the transaction also involves an acquisition under section 4 or section 6, the Board shall also notify the Federal Trade Commission of such approval'' before the period at the end of the first sentence.

SEC. 142. INTERAGENCY DATA SHARING.

To the extent not prohibited by other law, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System shall make available to the Attorney General and the Federal Trade Commission any data in the possession of any such banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or the approval of such agency under section 3, 4, or 6 of the Bank Holding Company Act of 1956, section 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, section 10 of the Home Owners' Loan Act, or the antitrust laws.

SEC. 143. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.

(a) CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) SAVINGS PROVISION.—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

(c) HART–SCOTT–RODINO AMENDMENTS.—

(1) BANKS.—Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting before the semicolon at the end the following: '', except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 3 of the Bank Holding Company Act of 1956''.

(2) BANK HOLDING COMPANIES.—Section 7A(c)(8) of the Clayton Act (15 U.S.C. 18a(c)(8)) is amended by inserting before the semicolon at the end the following: '', except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) is subject to section 6 of the Bank Holding Company Act of 1956; and (B) does not require agency approval under section 4 of the Bank Holding Company Act of 1956''.

SEC. 144. ANNUAL GAO REPORT.

(a) IN GENERAL.—By the end of the 1-year period beginning on the date of the enactment of this Act and annually thereafter, the Comptroller General of the United States shall submit a report to the Congress on market concentration in the financial services industry and its impact on consumers.

(b) ANALYSIS.—Each report submitted under subsection (a) shall contain an analysis of—

(1) the positive and negative effects of affiliations between various types of financial companies, and of acquisitions pursuant to this Act and the amendments made by this Act to other provisions of law, including any positive or negative effects on consumers, area markets, and submarkets thereof or on registered securities brokers and dealers which have been purchased by depository institutions or depository institution holding companies;

(2) the changes in business practices and the effects of any such changes on the availability of venture capital, consumer credit, and other financial services or products and the availability of capital and credit for small businesses; and

(3) the acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among the largest 20 percent of firms and acquisitions within regions or other limited geographical areas.

(c) SUNSET.—This section shall not apply after the end of the 5-year period beginning on the date of the enactment of this Act.

Subtitle F—National Treatment

SEC. 151. FOREIGN BANKS THAT ARE FINANCIAL HOLDING COMPANIES.

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

''(3) TERMINATION OF GRANDFATHERED RIGHTS.—

''(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 6(b)(1)(D) or receives a determination under section 10(d)(1) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity which the Board has determined to be permissible for financial holding companies under section 6 of such Act shall terminate immediately.

''(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity which the Board has determined to be permissible for financial holding companies under section 6 of the Bank Holding Company Act of 1956 has not filed a declaration with the Board of its status as a financial holding company under such section or received a determination under section 10(d)(1) by the end of the 2-year period beginning on the date of enactment of the Financial Services Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a financial holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 114 of the Financial Services Act.''.

SEC. 152. FOREIGN BANKS AND FOREIGN FINANCIAL INSTITUTIONS THAT ARE WHOLESALE FINANCIAL INSTITUTIONS.

Section 8A of the Federal Deposit Insurance Act (as added by section 136(c)(2) of this Act) is amended by adding at the end the following new subsection:

''(i) VOLUNTARY TERMINATION OF DEPOSIT INSURANCE.—The provisions on voluntary termination of insurance in this section shall apply to an insured branch of a foreign bank (including a Federal branch) in the same manner and to the same extent as they apply to an insured State bank or a national bank.''.

SEC. 153. REPRESENTATIVE OFFICES.

(a) DEFINITION OF ''REPRESENTATIVE OFFICE''.—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking ''State agency, or subsidiary of a foreign bank'' and inserting ''or State agency''.

(b) EXAMINATIONS.—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: ''The Board may also make examinations of any affiliate of a foreign bank conducting business in any State if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law.''.

SEC. 154. RECIPROCITY.

(a) NATIONAL TREATMENT REPORTS.—

(1) REPORT REQUIRED IN THE EVENT OF CERTAIN ACQUISITIONS.—

(A) IN GENERAL.—Whenever a person from a foreign country announces its intention to acquire or acquires a bank, a securities underwriter, broker, or dealer, an investment adviser, or insurance company that ranks within the top 50 firms in that line of business in the United States, the Secretary of Commerce, in the case of an insurance company, or the Secretary of the Treasury, in the case of a bank, a securities underwriter, broker, or dealer, or an investment adviser, shall, within the earlier of 6 months of such announcement or such acquisition and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report on whether a United States person would be able, de facto or de jure, to acquire an equivalent sized firm in the country in which such person from a foreign country is located.

(B) ANALYSIS AND RECOMMENDATIONS.—If a report submitted under subparagraph (A) states that the equivalent treatment referred to in such subparagraph, de facto and de jure, is not provided in the country which is the subject of the report, the Secretary of Commerce or the Secretary of the Treasury, as the case may be and in consultation with other appropriate Federal and State agencies, shall include in the report analysis and recommendations as to how that country's laws and regulations would need to be changed so that reciprocal treatment would exist.

(2) REPORT REQUIRED BEFORE FINANCIAL SERVICES NEGOTIATIONS COMMENCE.—The Secretary of Commerce, with respect to insurance companies, and the Secretary of the Treasury, with respect to banks, securities underwriters, brokers, dealers, and investment advisers, shall, not less than 6 months before the commencement of the financial services negotiations of the World Trade Organization and in consultation with other appropriate Federal and State agencies, prepare and submit to the Congress a report containing—

(A) an assessment of the 30 largest financial services markets with regard to whether reciprocal access is available in such markets to United States financial services providers; and

(B) with respect to any such financial services markets in which reciprocal access is not available to United States financial services providers, an analysis and recommendations as to what legislative, regulatory, or enforcement changes would be required to ensure full reciprocity for such providers.

(3) PERSON OF A FOREIGN COUNTRY DEFINED.—For purposes of this subsection, the term ''person of a foreign country'' means a person, or a person which directly or indirectly owns or controls that person, that is a resident of that country, is organized under the laws of that country, or has its principal place of business in that country.

(b) PROVISIONS APPLICABLE TO SUBMISSIONS.—

(1) NOTICE.—Before preparing any report required under subsection (a), the Secretary of Commerce or the Secretary of the Treasury, as the case may be, shall publish notice that a report is in preparation and seek comment from United States persons.

(2) PRIVILEGED SUBMISSIONS.—Upon the request of the submitting person, any comments or related communications received by the Secretary of Commerce or the Secretary of the Treasury, as the case may be, with regard to the report shall, for the purposes of section 552 of title 5, of the United States Code, be treated as commercial information obtained from a person that is privileged or confidential, regardless of the medium in which the information is obtained. This confidential information shall be the property of the Secretary and shall be privileged from disclosure to any other person. However, this privilege shall not be construed as preventing access to that confidential information by the Congress.

(3) PROHIBITION OF UNAUTHORIZED DISCLOSURES.—No person in possession of confidential information, provided under this section may disclose that information, in whole or in part, except for disclosure made in published statistical material that does not disclose, either directly or when used in conjunction with publicly available information, the confidential information of any person.

Subtitle G—Federal Home Loan Bank System Modernization

SEC. 161. SHORT TITLE.

This subtitle may be cited as the ''Federal Home Loan Bank System Modernization Act of 1999''.

SEC. 162. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking ''term 'Board' means'' and inserting ''terms 'Finance Board' and 'Board' mean'';

(2) by striking paragraph (3) and inserting the following:

''(3) STATE.—The term 'State', in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

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

''(13) COMMUNITY FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'community financial institution' means a member—

''(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

''(ii) that has, as of the date of the transaction at issue, less than $500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

''(B) ADJUSTMENTS.—The $500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.''.

SEC. 163. SAVINGS ASSOCIATION MEMBERSHIP.

Section 5(f) of the Home Owners' Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

''(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—On and after January 1, 1999, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.''.

SEC. 164. ADVANCES TO MEMBERS; COLLATERAL.

(a) IN GENERAL.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking ''(a) Each'' and inserting the following:

''(a) IN GENERAL.—

''(1) ALL ADVANCES.—Each'';

(3) by striking the 2d sentence and inserting the following:

''(2) PURPOSES OF ADVANCES.—A long-term advance may only be made for the purposes of—

''(A) providing funds to any member for residential housing finance; and

''(B) providing funds to any community financial institution for small business, agricultural, rural development, or low-income community development lending.'';

(4) by striking ''A Bank'' and inserting the following:

''(3) COLLATERAL.—A Bank'';

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking ''Deposits'' and inserting ''Cash or deposits'';

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the 2d sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

''(E) Secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such secured loans, in the case of any community financial institution.'';

(6) in paragraph (5)—

(A) in the 2d sentence, by striking ''and the Board'';

(B) in the 3d sentence, by striking ''Board'' and inserting ''Federal home loan bank''; and

(C) by striking ''(5) Paragraphs (1) through (4)'' and inserting the following:

''(4) ADDITIONAL BANK AUTHORITY.—Subparagraphs (A) through (E) of paragraph (3)''; and

(7) by adding at the end the following:

''(5) REVIEW OF CERTAIN COLLATERAL STANDARDS.—The Board may review the collateral standards applicable to each Federal home loan bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

''(6) DEFINITIONS.—For purposes of this subsection, the terms 'small business', 'agriculture', 'rural development', and 'low-income community development' shall have the meanings given those terms by rule or regulation of the Finance Board.''.

(b) CLERICAL AMENDMENT.—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

''SEC. 10. ADVANCES TO MEMBERS.''.

(c) CONFORMING AMENDMENTS RELATING TO MEMBERS WHICH ARE NOT QUALIFIED THRIFT LENDERS—The 1st of the 2 subsections designated as subsection (e) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(e)(1)) is amended—

(1) in the last sentence of paragraph (1), by inserting ''or, in the case of any community financial institution, for the purposes described in subsection (a)(2)'' before the period; and

(2) in paragraph (5)(C), by inserting ''except that, in determining the actual thrift investment percentage of any community financial institution for purposes of this subsection, the total investment of such member in loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such loans, shall be treated as a qualified thrift investment (as defined in such section 10(m))'' before the period.

SEC. 165. ELIGIBILITY CRITERIA.

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, ''(other than a community financial institution)'' after ''institution''; and

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

''(3) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).''.

SEC. 166. MANAGEMENT OF BANKS.

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking ''(d) The term'' and inserting the following:

''(d) TERMS OF OFFICE.—The term''; and

(2) by striking ''shall be two years''.

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking '', subject to the approval of the board''.

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking '', but, except'' and all that follows through ''ten years'';

(B) by striking ''subject to the approval of the Board'' the first place that term appears;

(C) by striking ''and, by its Board of directors,'' and all that follows through ''agent of such bank,'' and inserting ''and, by the board of directors of the bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal home loan bank''; and

(D) by striking ''Board of directors'' where such term appears in the penultimate sentence and inserting ''board of directors''; and

(2) in subsection (b), by striking ''loans banks'' and inserting ''loan banks''.

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

''(5) To issue and serve a notice of charges upon a Federal home loan bank or upon any executive officer or director of a Federal home loan bank if, in the determination of the Finance Board, the bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the bank, or any written agreement entered into by the bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a bank or any executive officer or director of a bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal home loan banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

''(6) To address any insufficiencies in capital levels resulting from the application of section 5(f) of the Home Owners' Loan Act.

''(7) To sue and be sued, by and through its own attorneys.''.

(2) TECHNICAL AMENDMENT.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by striking ''Federal Home Loan Bank Board,'' and inserting ''Director of the Office of Thrift Supervision, ''the Federal Housing Finance Board,''.

(f) ELIGIBILITY TO SECURE ADVANCES.—

(1) SECTION 9.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the 2d sentence, by striking ''with the approval of the Board''; and

(B) in the 3d sentence, by striking '', subject to the approval of the Board,''.

(2) SECTION 10.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the 1st sentence, by striking ''Board'' and inserting ''Federal home loan bank''; and

(ii) by striking the 2d sentence;

(B) in subsection (d)—

(i) in the 1st sentence, by striking ''and the approval of the Board''; and

(ii) by striking ''Subject to the approval of the Board, any'' and inserting ''Any''; and

(C) in subsection (j)(1)—

(i) by striking ''to subsidize the interest rate on advances'' and inserting ''to provide subsidies, including subsidized interest rates on advances'';

(ii) by striking ''Pursuant'' and inserting the following:

''(A) ESTABLISHMENT.—Pursuant''; and

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

''(B) NONDELEGATION OF APPROVAL AUTHORITY.—Subject to such regulations as the Finance Board may prescribe, the board of directors of each Federal home loan bank may approve or disapprove requests from members for Affordable Housing Program subsidies, and may not delegate such authority.''.

(g) SECTION 16.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the 3d sentence—

(A) by striking ''net earnings'' and inserting ''previously retained earnings or current net earnings''; and

(B) by striking '', and then only with the approval of the Federal Housing Finance Board''; and

(2) by striking the 4th sentence.

(h) SECTION 18.—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

SEC. 167. RESOLUTION FUNDING CORPORATION.

(a) IN GENERAL.—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

''(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—

''(i) IN GENERAL.—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal home loan bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that bank (after deducting expenses relating to section 10(j) and operating expenses).

''(ii) ANNUAL DETERMINATION.—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal home loan banks exceeds or falls short of the value of an annuity of $300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

''(iii) PAYMENT TERM ALTERATIONS.—The Board shall extend or shorten the term of the payment obligations of a Federal home loan bank under this subparagraph as necessary to ensure that the value of all payments made by the banks is equivalent to the value of an annuity referred to in clause (ii).

''(iv) TERM BEYOND MATURITY.—If the Board extends the term of payments beyond the final scheduled maturity date for the obligations, each Federal home loan bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal home loan banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal home loan banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal home loan banks exceeds the remaining obligation of the banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1999. Payments made by a Federal home loan bank before that effective date shall be counted toward the total obligation of that bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

SEC. 168. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.

Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended to read as follows:

''SEC. 6. CAPITAL STRUCTURE OF FEDERAL HOME LOAN BANKS.

''(a) REGULATIONS.—

''(1) CAPITAL STANDARDS.—Not later than 1 year after the date of enactment of the Financial Services Act of 1999, the Finance Board shall issue regulations prescribing uniform capital standards applicable to each Federal home loan bank, which shall require each such bank to meet—

''(A) the leverage requirement specified in paragraph (2); and

''(B) the risk-based capital requirements, in accordance with paragraph (3).

''(2) LEVERAGE REQUIREMENT.—

''(A) IN GENERAL.—The leverage requirement shall require each Federal home loan bank to maintain a minimum amount of total capital based on the aggregate on-balance sheet assets of the bank and shall be 5 percent.

''(B) TREATMENT OF STOCK AND RETAINED EARNINGS.—In determining compliance with the minimum leverage ratio established under subparagraph (A), the paid-in value of the outstanding Class B stock shall be multiplied by 1.5, the paid-in value of the outstanding Class C stock and the amount of retained earnings shall be multiplied by 2.0, and such higher amounts shall be deemed to be capital for purposes of meeting the 5 percent minimum leverage ratio.

''(3) RISK-BASED CAPITAL STANDARDS.—

''(A) IN GENERAL.—Each Federal home loan bank shall maintain permanent capital in an amount that is sufficient, as determined in accordance with the regulations of the Finance Board, to meet—

''(i) the credit risk to which the Federal home loan bank is subject; and

''(ii) the market risk, including interest rate risk, to which the Federal home loan bank is subject, based on a stress test established by the Finance Board that rigorously tests for changes in market variables, including changes in interest rates, rate volatility, and changes in the shape of the yield curve.

''(B) CONSIDERATION OF OTHER RISK-BASED STANDARDS.—In establishing the risk-based standard under subparagraph (A)(ii), the Finance Board shall take due consideration of any risk-based capital test established pursuant to section 1361 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4611) for the enterprises (as defined in that Act), with such modifications as the Finance Board determines to be appropriate to reflect differences in operations between the Federal home loan banks and those enterprises.

''(4) OTHER REGULATORY REQUIREMENTS.—The regulations issued by the Finance Board under paragraph (1) shall—

''(A) permit each Federal home loan bank to issue, with such rights, terms, and preferences, not inconsistent with this Act and the regulations issued hereunder, as the board of directors of that bank may approve, any 1 or more of—

''(i) Class A stock, which shall be redeemable in cash and at par 6 months following submission by a member of a written notice of its intent to redeem such shares;

''(ii) Class B stock, which shall be redeemable in cash and at par 5 years following submission by a member of a written notice of its intent to redeem such shares; and

''(iii) Class C stock, which shall be nonredeemable;

''(B) provide that the stock of a Federal home loan bank may be issued to and held by only members of the bank, and that a bank may not issue any stock other than as provided in this section;

''(C) prescribe the manner in which stock of a Federal home loan bank may be sold, transferred, redeemed, or repurchased; and

''(D) provide the manner of disposition of outstanding stock held by, and the liquidation of any claims of the Federal home loan bank against, an institution that ceases to be a member of the bank, through merger or otherwise, or that provides notice of intention to withdraw from membership in the bank.

''(5) DEFINITIONS OF CAPITAL.—For purposes of determining compliance with the capital standards established under this subsection—

''(A) permanent capital of a Federal home loan bank shall include (as determined in accordance with generally accepted accounting principles)—

''(i) the amounts paid for the Class C stock and any other nonredeemable stock approved by the Finance Board;

''(ii) the amounts paid for the Class B stock, in an amount not to exceed 1 percent of the total assets of the bank; and

''(iii) the retained earnings of the bank; and

''(B) total capital of a Federal home loan bank shall include—

''(i) permanent capital;

''(ii) the amounts paid for the Class A stock, Class B stock (excluding any amount treated as permanent capital under subparagraph (5)(A)(ii)), or any other class of redeemable stock approved by the Finance Board;

''(iii) consistent with generally accepted accounting principles, and subject to the regulation of the Finance Board, a general allowance for losses, which may not include any reserves or allowances made or held against specific assets; and

''(iv) any other amounts from sources available to absorb losses incurred by the bank that the Finance Board determines by regulation to be appropriate to include in determining total capital.

''(6) TRANSITION PERIOD.—Notwithstanding any other provisions of this Act, the requirements relating to purchase and retention of capital stock of a Federal home loan bank by any member thereof in effect on the day before the date of enactment of the Federal Home Loan Bank System Modernization Act of 1999, shall continue in effect with respect to each Federal home loan bank until the regulations required by this subsection have taken effect and the capital structure plan required by subsection (b) has been approved by the Finance Board and implemented by such bank.

''(b) CAPITAL STRUCTURE PLAN.—

''(1) APPROVAL OF PLANS.—Not later than 270 days after the date of publication by the Finance Board of final regulations in accordance with subsection (a), the board of directors of each Federal home loan bank shall submit for Finance Board approval a plan establishing and implementing a capital structure for such bank that—

''(A) the board of directors determines is best suited for the condition and operation of the bank and the interests of the members of the bank;

''(B) meets the requirements of subsection (c); and

''(C) meets the minimum capital standards and requirements established under subsection (a) and other regulations prescribed by the Finance Board.

''(2) APPROVAL OF MODIFICATIONS.—The board of directors of a Federal home loan bank shall submit to the Finance Board for approval any modifications that the bank proposes to make to an approved capital structure plan.

''(c) CONTENTS OF PLAN.—The capital structure plan of each Federal home loan bank shall contain provisions addressing each of the following:

''(1) MINIMUM INVESTMENT.—

''(A) IN GENERAL.—Each capital structure plan of a Federal home loan bank shall require each member of the bank to maintain a minimum investment in the stock of the bank, the amount of which shall be determined in a manner to be prescribed by the board of directors of each bank and to be included as part of the plan.

''(B) INVESTMENT ALTERNATIVES.—

''(i) IN GENERAL.—In establishing the minimum investment required for each member under subparagraph (A), a Federal home loan bank may, in its discretion, include any 1 or more of the requirements referred to in clause (ii), or any other provisions approved by the Finance Board.

''(ii) AUTHORIZED REQUIREMENTS.—A requirement is referred to in this clause if it is a requirement for—

''(I) a stock purchase based on a percentage of the total assets of a member; or

''(II) a stock purchase based on a percentage of the outstanding advances from the bank to the member.

''(C) MINIMUM AMOUNT.—Each capital structure plan of a Federal home loan bank shall require that the minimum stock investment established for members shall be set at a level that is sufficient for the bank to meet the minimum capital requirements established by the Finance Board under subsection (a).

''(D) ADJUSTMENTS TO MINIMUM REQUIRED INVESTMENT.—The capital structure plan of each Federal home loan bank shall impose a continuing obligation on the board of directors of the bank to review and adjust the minimum investment required of each member of that bank, as necessary to ensure that the bank remains in compliance with applicable minimum capital levels established by the Finance Board, and shall require each member to comply promptly with any adjustments to the required minimum investment.

''(2) TRANSITION RULE.—

''(A) IN GENERAL.—The capital structure plan of each Federal home loan bank shall specify the date on which it shall take effect, and may provide for a transition period of not longer than 3 years to allow the bank to come into compliance with the capital requirements prescribed under subsection (a), and to allow any institution that was a member of the bank on the date of enactment of the Financial Services Act of 1999, to come into compliance with the minimum investment required pursuant to the plan.

''(B) INTERIM PURCHASE REQUIREMENTS.—The capital structure plan of a Federal home loan bank may allow any member referred to in subparagraph (A) that would be required by the terms of the capital structure plan to increase its investment in the stock of the bank to do so in periodic installments during the transition period.

''(3) DISPOSITION OF SHARES.—The capital structure plan of a Federal home loan bank shall provide for the manner of disposition of any stock held by a member of that bank that terminates its membership or that provides notice of its intention to withdraw from membership in that bank.

''(4) CLASSES OF STOCK.—

''(A) IN GENERAL.—The capital structure plan of a Federal home loan bank shall afford each member of that bank the option of maintaining its required investment in the bank through the purchase of any combination of classes of stock authorized by the board of directors of the bank and approved by the Finance Board in accordance with its regulations.

''(B) RIGHTS REQUIREMENT.—A Federal home loan bank shall include in its capital structure plan provisions establishing terms, rights, and preferences, including minimum investment, dividends, voting, and liquidation preferences of each class of stock issued by the bank, consistent with Finance Board regulations and market requirements.

''(C) REDUCED MINIMUM INVESTMENT.—The capital structure plan of a Federal home loan bank may provide for a reduced minimum stock investment for any member of that bank that elects to purchase Class B, Class C, or any other class of nonredeemable stock, in a manner that is consistent with meeting the minimum capital requirements of the bank, as established by the Finance Board.

''(D) LIQUIDATION OF CLAIMS.—The capital structure plan of a Federal home loan bank shall provide for the liquidation in an orderly manner, as determined by the bank, of any claim of that bank against a member, including claims for any applicable prepayment fees or penalties resulting from prepayment of advances prior to stated maturity.

''(5) LIMITED TRANSFERABILITY OF STOCK.—The capital structure plan of a Federal home loan bank shall—

''(A) provide that—

''(i) any stock issued by that bank shall be available only to, held only by, and tradable only among members of that bank and between that bank and its members; and

''(ii) a bank has no obligation to repurchase its outstanding Class C stock but may do so, provided it is consistent with Finance Board regulations and is at a price that is mutually agreeable to the bank and the member; and

''(B) establish standards, criteria, and requirements for the issuance, purchase, transfer, retirement, and redemption of stock issued by that bank.

''(6) BANK REVIEW OF PLAN.—Before filing a capital structure plan with the Finance Board, each Federal home loan bank shall conduct a review of the plan by—

''(A) an independent certified public accountant, to ensure, to the extent possible, that implementation of the plan would not result in any write-down of the redeemable bank stock investment of its members; and

''(B) at least 1 major credit rating agency, to determine, to the extent possible, whether implementation of the plan would have any material effect on the credit ratings of the bank.

''(d) TERMINATION OF MEMBERSHIP.—

''(1) VOLUNTARY WITHDRAWAL.—Any member may withdraw from a Federal home loan bank by providing written notice to the bank of its intent to do so. The applicable stock redemption notice periods shall commence upon receipt of the notice by the bank. Upon the expiration of the applicable notice period for each class of redeemable stock, the member may surrender such stock to the bank, and shall be entitled to receive in cash the

par value of the stock. During the applicable notice periods, the member shall be entitled to dividends and other membership rights commensurate with continuing stock ownership.

''(2) INVOLUNTARY WITHDRAWAL.—

''(A) IN GENERAL.—The board of directors of a Federal home loan bank may terminate the membership of any institution if, subject to Finance Board regulations, it determines that—

''(i) the member has failed to comply with a provision of this Act or any regulation prescribed under this Act; or

''(ii) the member has been determined to be insolvent, or otherwise subject to the appointment of a conservator, receiver, or other legal custodian, by a State or Federal authority with regulatory and supervisory responsibility for the member.

''(B) STOCK DISPOSITION.—An institution, the membership of which is terminated in accordance with subparagraph (A)—

''(i) shall surrender redeemable stock to the Federal home loan bank, and shall receive in cash the par value of the stock, upon the expiration of the applicable notice period under subsection (a)(4)(A);

''(ii) shall receive any dividends declared on its redeemable stock, during the applicable notice period under subsection (a)(4)(A); and

''(iii) shall not be entitled to any other rights or privileges accorded to members after the date of the termination.

''(C) COMMENCEMENT OF NOTICE PERIOD.—With respect to an institution, the membership of which is terminated in accordance with subparagraph (A), the applicable notice period under subsection (a)(4) for each class of redeemable stock shall commence on the earlier of—

''(i) the date of such termination; or

''(ii) the date on which the member has provided notice of its intent to redeem such stock.

''(3) LIQUIDATION OF INDEBTEDNESS.—Upon the termination of the membership of an institution for any reason, the outstanding indebtedness of the member to the bank shall be liquidated in an orderly manner, as determined by the bank and, upon the extinguishment of all such indebtedness, the bank shall return to the member all collateral pledged to secure the indebtedness.

''(e) REDEMPTION OF EXCESS STOCK.—

''(1) IN GENERAL.—A Federal home loan bank, in its sole discretion, may redeem or repurchase, as appropriate, any shares of Class A or Class B stock issued by the bank and held by a member that are in excess of the minimum stock investment required of that member.

''(2) EXCESS STOCK.—Shares of stock held by a member shall not be deemed to be 'excess stock' for purposes of this subsection by virtue of a member's submission of a notice of intent to withdraw from membership or termination of its membership in any other manner.

''(3) PRIORITY.—A Federal home loan bank may not redeem any excess Class B stock prior to the end of the 5-year notice period, unless the member has no Class A stock outstanding that could be redeemed as excess.

''(f) IMPAIRMENT OF CAPITAL.—If the Finance Board or the board of directors of a Federal home loan bank determines that the bank has incurred or is likely to incur losses that result in or are expected to result in charges against the capital of the bank, the bank shall not redeem or repurchase any stock of the bank without the prior approval of the Finance Board while such charges are continuing or are expected to continue. In no case may a bank redeem or repurchase any applicable capital stock if, following the redemption, the bank would fail to satisfy any minimum capital requirement.

''(g) REJOINING AFTER DIVESTITURE OF ALL SHARES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), and notwithstanding any other provision of this Act, an institution that divests all shares of stock in a Federal home loan bank may not, after such divestiture, acquire shares of any Federal home loan bank before the end of the 5-year period beginning on the date of the completion of such divestiture, unless the divestiture is a consequence of a transfer of membership on an uninterrupted basis between banks.

''(2) EXCEPTION FOR WITHDRAWALS FROM MEMBERSHIP BEFORE 1998.—Any institution that withdrew from membership in any Federal home loan bank before December 31, 1997, may acquire shares of a Federal home loan bank at any time after that date, subject to the approval of the Finance Board and the requirements of this Act.

''(h) TREATMENT OF RETAINED EARNINGS.—

''(1) IN GENERAL.—The holders of the Class C stock of a Federal home loan bank, and any other classes of nonredeemable stock approved by the Finance Board (to the extent provided in the terms thereof), shall own the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

''(2) NO NONREDEEMABLE CLASSES OF STOCK.—If a Federal home loan bank has no outstanding Class C or other such nonredeemable stock, then the holders of any other classes of stock of the bank then outstanding shall have ownership in, and a private property right in, the retained earnings, surplus, undivided profits, and equity reserves, if any, of the bank.

''(3) EXCEPTION.—Except as specifically provided in this section or through the declaration of a dividend or a capital distribution by a Federal home loan bank, or in the event of liquidation of the bank, a member shall have no right to withdraw or otherwise receive distribution of any portion of the retained earnings of the bank.

''(4) LIMITATION.—A Federal home loan bank may not make any distribution of its retained earnings unless, following such distribution, the bank would continue to meet all applicable capital requirements.''.

Subtitle H—ATM Fee Reform

SEC. 171. SHORT TITLE.

This subtitle may be cited as the ''ATM Fee Reform Act of 1999''.

SEC. 172. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following new paragraph:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

SEC. 173. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following new paragraph:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

SEC. 174. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic fund transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(3)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO THE CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

SEC. 175. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.

Section 910 of the Electronic Fund Transfer Act (15 U.S.C 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

Subtitle I—Direct Activities of Banks

SEC. 181. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS.

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following new sentence: ''In addition to the provisions in this paragraph for dealing in, underwriting or purchasing securities, the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account shall not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of 1 or more States, or any public agency or authority of any State or political subdivision of a State, if the national bank is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).''.

Subtitle J—Deposit Insurance Funds

SEC. 186. STUDY OF SAFETY AND SOUNDNESS OF FUNDS.

(a) STUDY REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation shall conduct a study of the following issues with regard to the Bank Insurance Fund and the Savings Association Insurance Fund:

(1) SAFETY AND SOUNDNESS.—The safety and soundness of the funds and the adequacy of the reserve requirements applicable to the funds in light of—

(A) the size of the insured depository institutions which are resulting from mergers and consolidations since the effective date of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994; and

(B) the affiliation of insured depository institutions with other financial institutions pursuant to this Act and the amendments made by this Act.

(2) CONCENTRATION LEVELS.—The concentration levels of the funds, taking into account the number of members of each fund and the geographic distribution of such members, and the extent to which either fund is exposed to higher risks due to a regional concentration of members or an insufficient membership base relative to the size of member institutions.

(3) MERGER ISSUES.—Issues relating to the planned merger of the funds, including the cost of merging the funds and the manner in which such costs will be distributed among the members of the respective funds.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Before the end of the 9-month period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress on the study conducted pursuant to subsection (a).

(2) CONTENTS OF REPORT.—The report shall include—

(A) detailed findings of the Board of Directors with regard to the issues described in subsection (a);

(B) a description of the plans developed by the Board of Directors for merging the Bank Insurance Fund and the Savings Association Insurance Fund, including an estimate of the amount of the cost of such merger which would be borne by Savings Association Insurance Fund members; and

(C) such recommendations for legislative and administrative action as the Board of Directors determines to be necessary or appropriate to preserve the safety and soundness of the deposit insurance funds, reduce the risks to such funds, provide for an efficient merger of such funds, and for other purposes.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act.

(2) BIF AND SAIF MEMBERS.—The terms ''Bank Insurance Fund member'' and ''Savings Association Insurance Fund member'' have the same meanings as in section 7(l) of the Federal Deposit Insurance Act.

SEC. 187. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.

(a) SAIF SPECIAL RESERVES.—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) DIF SPECIAL RESERVES.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking ''(6) and (7)'' and inserting ''(5), (6), and (7)''; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

''(ii) by redesignating paragraph (8) as paragraph (5).''.

Subtitle K—Miscellaneous Provisions

SEC. 191. TERMINATION OF "KNOW YOUR CUSTOMER" REGULATIONS.

(a) IN GENERAL.—None of the proposed regulations described in subsection (b) may be published in final form and, to the extent any such regulation has become effective before the date of the enactment of this Act, such regulation shall cease to be effective as of such date.

(b) PROPOSED REGULATIONS DESCRIBED.—The proposed regulations referred to in subsection (a) are as follows:

(1) The regulation proposed by the Comptroller of the Currency to amend part 21 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(2) The regulation proposed by the Director of the Office of Thrift Supervision to amend part 563 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(3) The regulation proposed by the Board of Governors of the Federal Reserve System to amend parts 208, 211, and 225 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

(4) The regulation proposed by the Federal Deposit Insurance Corporation to amend part 326 of title 12 of the Code of Federal Regulations, as published in the Federal Register on December 7, 1998.

SEC. 192. STUDY AND REPORT ON FEDERAL ELECTRONIC FUND TRANSFERS.

(a) STUDY.—The Secretary of the Treasury shall conduct a feasibility study to determine—

(1) whether all electronic payments issued by Federal agencies could be routed through the Regional Finance Centers of the Department of the Treasury for verification and reconciliation;

(2) whether all electronic payments made by the Federal Government could be subjected to the same level of reconciliation as United States Treasury checks, including matching each payment issued with each corresponding deposit at financial institutions;

(3) whether the appropriate computer security controls are in place in order to ensure the integrity of electronic payments;

(4) the estimated costs of implementing, if so recommended, the processes and controls described in paragraphs (1), (2), and (3); and

(5) a possible timetable for implementing those processes if so recommended.

(b) REPORT TO CONGRESS.—Not later than October 1, 2000, the Secretary of the Treasury shall submit a report to Congress containing the results of the study required by subsection (a).

(c) DEFINITION.—For purposes of this section, the term ''electronic payment'' means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tapes so as

to order, instruct, or authorize a debit or credit to a financial account.

SEC. 193. GENERAL ACCOUNTING OFFICE STUDY OF CONFLICTS OF INTEREST

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study analyzing the conflict of interest faced by the Board of Governors of the Federal Reserve System between its role as a primary regulator of the banking industry and its role as a vendor of services to the banking and financial services industry.

(b) SPECIFIC CONFLICT REQUIRED TO BE ADDRESSED.—In the course of the study required under subsection (a), the Comptroller General shall address the conflict of interest faced by the Board of Governors of the Federal Reserve System between the role of the Board as a regulator of the payment system, generally, and its participation in the payment system as a competitor with private entities who are providing payment services.

(c) REPORT TO CONGRESS.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing the findings and conclusions of the Comptroller General in connection with the study required under this section, together with such recommendations for such legislative or administrative actions as the Comptroller General may determine to be appropriate, including recommendations for resolving any such conflict of interest.

SEC. 194. STUDY OF COST OF ALL FEDERAL BANKING REGULATIONS.

(a) IN GENERAL.—In accordance with the finding in the Board of Governors of the Federal Reserve System Staff Study Numbered 171 (April, 1998) that ''Further research covering more and different types of regulations and regulatory requirements is clearly needed to make informed decisions about regulations'', the Board of Governors of the Federal Reserve System, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall conduct a comprehensive study of the total annual costs and benefits of all Federal financial regulations and regulatory requirements applicable to banks.

(b) REPORT REQUIRED.—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit a comprehensive report to the Congress containing the findings and conclusions of the Board in connection with the study required under subsection (a) and such recommendations for legislative and administrative action as the Board may determine to be appropriate.

SEC. 195. STUDY AND REPORT ON ADAPTING EXISTING LEGISLATIVE REQUIREMENTS TO ONLINE BANKING AND LENDING.

(a) STUDY REQUIRED.—The Federal banking agencies shall conduct a study of banking regulations regarding the delivery of financial services, including those regulations that may assume that there will be person-to-person contact during the course of a financial services transaction, and report their recommendations on adapting those existing requirements to online banking and lending.

(b) REPORT REQUIRED.—Within 1 year of the date of the enactment of this Act, the Federal banking agencies shall submit a report to the Congress on the findings and conclusions of the agencies with respect to the study required under subsection (a), together with such recommendations for legislative or regulatory action as the agencies may determine to be appropriate.

(c) DEFINITION.—For purposes of this section, the term ''Federal banking agencies'' means each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act).

SEC. 196. REGULATION OF UNINSURED STATE MEMBER BANKS.

Section 9 of the Federal Reserve Act (12 U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph:

''(24) ENFORCEMENT AUTHORITY OVER UNINSURED STATE MEMBER BANKS.—Section 3(u) of the Federal Deposit Insurance Act, subsections (j) and (k) of section 7 of such Act, and subsections (b) through (n), (s), (u), and (v) of section 8 of such Act shall apply to an uninsured State member bank in the same manner and to the same extent such provisions apply to an insured State member bank and any reference in any such provision to 'insured depository institution' shall be deemed to be a reference to 'uninsured State member bank' for purposes of this paragraph.''.

SEC. 197. CLARIFICATION OF SOURCE OF STRENGTH DOCTRINE.

Section 18 of the Federal Deposit Insurance Act (21 U.S.C. 1828) is amended by adding at the end the following new subsection:

''(t) LIMITATION ON CLAIMS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law other than paragraph (2), no person shall have any claim for monetary damages or return of assets or other property against any Federal banking agency (including in its capacity as conservator or receiver) relating to the transfer of money, assets, or other property to increase the capital of an insured depository institution by any depository institution holding company or controlling shareholder for such depository institution, or any affiliate or subsidiary of such depository institution, if at the time of the transfer—

''(A) the insured depository institution is subject to any direction issued in writing by a Federal banking agency to increase its capital;

''(B) the depository institution is undercapitalized, significantly undercapitalized, or critically undercapitalized (as defined in section 38 of this Act); and

''(C) for that portion of the transfer that is made by an entity covered by section 5(g) of the Bank Holding Company Act of 1956 or section 45 of this Act, the Federal banking agency has followed the procedure set forth in such section.

''(2) EXCEPTION.—No provision of this subsection shall be construed as limiting—

''(A) the right of an insured depository institution, a depository institution holding company, or any other agency or person to seek direct review of an order or directive issued by a Federal banking agency under this Act, the Bank Holding Company Act of 1956, the National Bank Receivership Act, the Bank Conservation Act, or the Home Owners' Loan Act;

''(B) the rights of any party to a contract pursuant to section 11(e) of this Act; or

''(C) the rights of any party to a contract with a depository institution holding company or a subsidiary of a depository institution holding company (other than an insured depository institution).''

SEC. 198. INTEREST RATES AND OTHER CHARGES AT INTERSTATE BRANCHES.

Section 44 of the Federal Deposit Insurance Act (12 U.S.C. 1831u) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

''(f) APPLICABLE RATE AND OTHER CHARGE LIMITATIONS.—

''(1) IN GENERAL.—Except as provided for in paragraph (3), upon the establishment of a branch of any insured depository institution in a host State under this section, the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved from time to time in any loan or discount made or upon any note, bill of exchange, financing transaction, or other evidence of debt by any insured depository institution in such State shall be equal to not more than the greater of—

''(A) the maximum interest rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction under the constitution, statutory, or other lows of the home State of the insured depository institution establishing any such branch, without reference to this section, as such maximum interest rate or amount of interest may change from time to time; or

''(B) the maximum rate or amount of interest, discount points, finance charges, or other similar charges that may be charged, taken, received, or reserved in a similar transaction by an insured depository institution under the constitution, statutory, or other laws of the host State, without reference to this section.

''(2) PREEMPTION.—The limitations established under paragraph (1) shall apply only in any State that has a constitutional provision that sets a maximum lawful rate of interest on any contract at not more than 5 percent per annum above the Federal Reserve Discount Rate or 90-day commercial paper in effect in the Federal Reserve Bank in the Federal Reserve District in which the State is located.

''(3) RULE OF CONSTRUCTION.—No provision of this subsection shall be construed as superseding section 501 of the Depository Institutions Deregulation and Monetary Control Act of 1980.

Subtitle L—Effective Date of Title

SEC. 199. EFFECTIVE DATE.

Except with regard to any subtitle or other provision of this title for which a specific effective date is provided, this title and the amendments made by this title shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act.

TITLE II—FUNCTIONAL REGULATION

Subtitle A—Brokers and Dealers

SEC. 201. DEFINITION OF BROKER.

Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

''(4) BROKER.—

''(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

''(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any one or more of the following activities under the conditions described:

''(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other written arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

''(I) such broker or dealer is clearly identified as the person performing the brokerage services;

''(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

''(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

''(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the arrangement are in compliance with the Federal securities laws before distribution;

''(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the types of investment vehicles available from the bank and the broker or dealer under the arrangement;

''(VI) bank employees do not receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

''(VII) such services are provided by the broker or dealer on a basis in which all customers which receive any services are fully disclosed to the broker or dealer;

''(VIII) the bank does not carry a securities account of the customer except as permitted under clause (ii) or (viii) of this subparagraph; and

''(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

''(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee or fiduciary capacity in its trust department, or another department where the trust or fiduciary activity is regularly examined by bank examiners under the same standards and in the same way as such activities are examined in the trust department, and—

''(I) is chiefly compensated for such transactions, consistent with fiduciary principles and standards, on the basis of an administration or annual fee (payable on a monthly, quarterly, or other basis), a percentage of assets under management, or a flat or capped per order processing fee equal to not more than the cost incurred by the bank in connection with executing securities transactions for trustee and fiduciary customers, or any combination of such fees; and

''(II) does not solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

''(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(iv) CERTAIN STOCK PURCHASE PLANS.—

''(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its affiliates (as defined in section 2 of the Bank Holding Company Act of 1956), if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

''(bb) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

''(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

''(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

''(III) ISSUER PLANS.—The bank effects transactions, as a registered transfer agent (including as a registrar of stocks), in the securities of an issuer as part of that issuer's plan for the purchase or sale of that issuer's shares, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program;

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

''(cc) the bank's compensation for such plan or program consists chiefly of administration fees, or flat or capped per order processing fees, or both.

''(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by a bank's delivery of written or electronic plan materials to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

''(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Act of 1999; or

''(bb) otherwise permitted by the Commission.

''(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

''(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate (as defined in section 2 of the Bank Holding Company Act of 1956) of the bank other than—

''(I) a registered broker or dealer; or

''(II) an affiliate that is engaged in merchant banking, as described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

''(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

''(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 or the rules and regulations issued thereunder;

''(II) at any time after the date that is 1 year after the date of enactment of the Financial Services Act of 1999, is not affiliated with a broker or dealer that has been registered for more than 1 year in accordance with this Act, and engages in dealing, market making, or underwriting activities, other than with respect to exempted securities; and

''(III) effects transactions exclusively with qualified investors.

''(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

''(I) IN GENERAL.—The bank, as part of customary banking activities—

''(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

''(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

''(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

''(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law, if the bank maintains records separately identifying the securities and the customer.

''(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) of this title and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

''(ix) EXCEPTED BANKING PRODUCTS.—The bank effects transactions in excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

''(x) MUNICIPAL SECURITIES.—The bank effects transactions in municipal securities.

''(xi) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (x), not more than 500

transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

''(C) BROKER DEALER EXECUTION.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

''(i) the bank directs such trade to a registered broker or dealer for execution;

''(ii) the trade is a cross trade or other substantially similar trade of a security that—

''(I) is made by the bank or between the bank and an affiliated fiduciary; and

''(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

''(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

''(D) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term 'fiduciary capacity' means—

''(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

''(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

''(iii) in any other similar capacity.

''(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term 'broker' does not include a bank that—

''(i) was, immediately prior to the enactment of the Financial Services Act of 1999, subject to section 15(e) of this title; and

''(ii) is subject to such restrictions and requirements as the Commission considers appropriate.''.

SEC. 202. DEFINITION OF DEALER.

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

''(5) DEALER.—

''(A) IN GENERAL.—The term 'dealer' means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

''(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term 'dealer' does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

''(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

''(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

''(I) for the bank; or

''(II) for accounts for which the bank acts as a trustee or fiduciary.

''(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or other separate entity, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations (other than securities of which the bank is not the issuer), or pools of any such obligations predominantly originated by—

''(I) the bank;

''(II) an affiliate of any such bank other than a broker or dealer; or

''(III) a syndicate of banks of which the bank is a member, if the obligations or pool of obligations consists of mortgage obligations or consumer-related receivables.

''(iv) EXCEPTED BANKING PRODUCTS.—The bank buys or sells excepted banking products, as defined in section 206 of the Financial Services Act of 1999.

''(v) DERIVATIVE INSTRUMENTS.—The bank issues, buys, or sells any derivative instrument to which the bank is a party—

''(I) to or from a qualified investor, except that if the instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer; or

''(II) to or from other persons, except that if the derivative instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), or is a security (other than a government security), the transaction shall be effected with or through a registered broker or dealer; or

''(III) to or from any person if the instrument is neither a security nor provides for the delivery of one or more securities (other than a derivative instrument).''.

SEC. 203. REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.

Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended by inserting after subsection (i) the following new subsection:

''(j) REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.—A registered securities association shall create a limited qualification category for any associated person of a member who effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder, and shall deem qualified in such limited qualification category, without testing, any bank employee who, in the six month period preceding the date of enactment of this Act, engaged in effecting such sales.''.

SEC. 204. INFORMATION SHARING.

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

''(t) RECORDKEEPING REQUIREMENTS.—

''(1) REQUIREMENTS.—Each appropriate Federal banking agency, after consultation with and consideration of the views of the Commission, shall establish recordkeeping requirements for banks relying on exceptions contained in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934. Such recordkeeping requirements shall be sufficient to demonstrate compliance with the terms of such exceptions and be designed to facilitate compliance with such exceptions. Each appropriate Federal banking agency shall make any such information available to the Commission upon request.

''(2) DEFINITIONS.—As used in this subsection the term 'Commission' means the Securities and Exchange Commission.''.

SEC. 205. TREATMENT OF NEW HYBRID PRODUCTS.

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

''(i) RULEMAKING TO EXTEND REQUIREMENTS TO NEW HYBRID PRODUCTS.—

''(1) LIMITATION.—The Commission shall not—

''(A) require a bank to register as a broker or dealer under this section because the bank engages in any transaction in, or buys or sells, a new hybrid product; or

''(B) bring an action against a bank for a failure to comply with a requirement described in subparagraph (A);

unless the Commission has imposed such requirement by rule or regulation issued in accordance with this section.

''(2) CRITERIA FOR RULEMAKING.—The Commission shall not impose a requirement under paragraph (1) of this subsection with respect to any new hybrid product unless the Commission determines that—

''(A) the new hybrid product is a security; and

''(B) imposing such requirement is necessary or appropriate in the public interest and for the protection of investors, consistent with the requirements of section 3(f).

''(3) CONSIDERATIONS.—In making a determination under paragraph (2), the Commission shall consider—

''(A) the nature of the new hybrid product; and

''(B) the history, purpose, extent, and appropriateness of the regulation of the new hybrid product under the Federal securities laws and under the Federal banking laws.

''(4) CONSULTATION.—In promulgating rules under this subsection, the Commission shall consult with and consider the views of the Board of Governors of the Federal Reserve System regarding the nature of the new hybrid product, the history, purpose, extent, and appropriateness of the regulation of the new product under the Federal banking laws, and the impact of the proposed rule on the banking industry.

''(5) NEW HYBRID PRODUCT.—For purposes of this subsection, the term 'new hybrid product' means a product that—

''(A) was not subjected to regulation by the Commission as a security prior to the date of enactment of this subsection; and

''(B) is not an excepted banking product, as such term is defined in section 206 of the Financial Services Act of 1999.''.

SEC. 206. DEFINITION OF EXCEPTED BANKING PRODUCT.

(a) DEFINITION OF EXCEPTED BANKING PRODUCT.—For purposes of paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a) (4), (5)), the term ''excepted banking product'' means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker's acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; or

(6) a derivative instrument that involves or relates to—

(A) currencies, except options on currencies that trade on a national securities exchange;

(B) interest rates, except interest rate derivative instruments that—

(i) are based on a security or a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange; or

(C) commodities, other rates, indices, or other assets, except derivative instruments that—

(i) are securities or that are based on a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange.

(b) CLASSIFICATION LIMITED.—Classification of a particular product as an excepted banking product pursuant to this section shall not be construed as finding or implying that such product is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(c) INCORPORATED DEFINITIONS.—For purposes of this section—

(1) the terms ''bank'', ''qualified investor'', and ''securities laws'' have the same meanings given in section 3(a) of the Securities Exchange Act of 1934, as amended by this Act; and

(2) the term ''government securities'' has the meaning given in section 3(a)(42) of such Act (as amended by this Act), and, for purposes of this section, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities.

SEC. 207. ADDITIONAL DEFINITIONS.

Section 3(a) of the Securities Exchange Act of 1934 is amended by adding at the end the following new paragraphs:

''(54) DERIVATIVE INSTRUMENT.—

''(A) DEFINITION.—The term 'derivative instrument' means any individually negotiated contract, agreement, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets, but does not include an excepted banking product, as defined in paragraphs (1) through (5) of section 206(a) of the Financial Services Act of 1999.

''(B) CLASSIFICATION LIMITED.—Classification of a particular contract as a derivative instrument pursuant to this paragraph shall not be construed as finding or implying that such instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

''(55) QUALIFIED INVESTOR.—

''(A) DEFINITION.—For purposes of this title, the term 'qualified investor' means—

''(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

''(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

''(iii) any bank (as defined in paragraph (6) of this subsection), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

''(iv) any small business investment company licensed by the United States Small Business Administration under section 301 (c) or (d) of the Small Business Investment Act of 1958;

''(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

''(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

''(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

''(viii) any associated person of a broker or dealer other than a natural person;

''(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

''(x) the government of any foreign country;

''(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xii) any natural person who owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than $50,000,000 in investments; or

''(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

''(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a 'qualified investor' as any other person, taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.''.

SEC. 208. GOVERNMENT SECURITIES DEFINED.

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

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

''(E) for purposes of sections 15, 15C, and 17A as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes of the United States.''.

SEC. 209. EFFECTIVE DATE.

This subtitle shall take effect at the end of the 270-day period beginning on the date of the enactment of this Act.

SEC. 210. RULE OF CONSTRUCTION.

Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

Subtitle B—Bank Investment Company Activities

SEC. 211. CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATED BANK.

(a) MANAGEMENT COMPANIES.—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(f)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by striking ''(f) Every registered'' and inserting the following:

''(f) CUSTODY OF SECURITIES.—

''(1) Every registered'';

(3) by redesignating the second, third, fourth, and fifth sentences of such subsection as paragraphs (2) through (5), respectively, and indenting the left margin of such paragraphs appropriately; and

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

''(6) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person, promoter, organizer, or sponsor of, or principal underwriter for, a registered management company may serve as custodian of that registered management company.''.

(b) UNIT INVESTMENT TRUSTS.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a–26) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

''(b) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person of a principal underwriter for, or depositor of, a registered unit investment trust, may serve as trustee or custodian under subsection (a)(1).''.

(c) FIDUCIARY DUTY OF CUSTODIAN.—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–35(a)) is amended—

(1) in paragraph (1), by striking ''or'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (2) the following:

''(3) as custodian.''.

SEC. 212. LENDING TO AN AFFILIATED INVESTMENT COMPANY.

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(a)) is amended—

(1) by striking ''or'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting ''; or''; and

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

''(4) to loan money or other property to such registered company, or to any company controlled by such registered company, in

contravention of such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.''.

SEC. 213. INDEPENDENT DIRECTORS.

(a) IN GENERAL.—Section 2(a)(19)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(A)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) the investment company;

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

''(III) any account over which the investment company's investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) the investment company;

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

''(III) any account for which the investment company's investment adviser has borrowing authority,''.

(b) CONFORMING AMENDMENT.—Section 2(a)(19)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(B)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) any investment company for which the investment adviser or principal underwriter serves as such;

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

''(III) any account over which the investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) any investment company for which the investment adviser or principal underwriter serves as such;

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

''(III) any account for which the investment adviser has borrowing authority,''.

(c) AFFILIATION OF DIRECTORS.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended by striking ''bank, except'' and inserting ''bank (together with its affiliates and subsidiaries) or any one bank holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 2 of the Bank Holding Company Act of 1956), except''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 1-year period beginning on the date of enactment of this subtitle.

SEC. 214. ADDITIONAL SEC DISCLOSURE AUTHORITY.

Section 35(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–34(a)) is amended to read as follows:

''(a) MISREPRESENTATION OF GUARANTEES.—

''(1) IN GENERAL.—It shall be unlawful for any person, issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company—

''(A) has been guaranteed, sponsored, recommended, or approved by the United States, or any agency, instrumentality or officer of the United States;

''(B) has been insured by the Federal Deposit Insurance Corporation; or

''(C) is guaranteed by or is otherwise an obligation of any bank or insured depository institution.

''(2) DISCLOSURES.—Any person issuing or selling the securities of a registered investment company that is advised by, or sold through, a bank shall prominently disclose that an investment in the company is not insured by the Federal Deposit Insurance Corporation or any other government agency. The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the manner in which the disclosure under this paragraph shall be provided.

''(3) DEFINITIONS.—The terms 'insured depository institution' and 'appropriate Federal banking agency' have the same meanings given in section 3 of the Federal Deposit Insurance Act.''.

SEC. 215. DEFINITION OF BROKER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(6)) is amended to read as follows:

''(6) The term 'broker' has the same meaning given in section 3 of the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.''.

SEC. 216. DEFINITION OF DEALER UNDER THE INVESTMENT COMPANY ACT OF 1940.

Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(11)) is amended to read as follows:

''(11) The term 'dealer' has the same meaning given in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

SEC. 217. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.

(a) INVESTMENT ADVISER.—Section 202(a)(11)(A) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(11)(A)) is amended by striking ''investment company'' and inserting ''investment company, except that the term 'investment adviser' includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser''.

(b) SEPARATELY IDENTIFIABLE DEPARTMENT OR DIVISION.—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)) is amended by adding at the end the following:

''(26) The term 'separately identifiable department or division' of a bank means a unit—

''(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

''(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit's own facilities or the facilities of the bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940.''.

SEC. 218. DEFINITION OF BROKER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(3)) is amended to read as follows:

''(3) The term 'broker' has the same meaning given in section 3 of the Securities Exchange Act of 1934.''.

SEC. 219. DEFINITION OF DEALER UNDER THE INVESTMENT ADVISERS ACT OF 1940.

Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(7)) is amended to read as follows:

''(7) The term 'dealer' has the same meaning given in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

SEC. 220. INTERAGENCY CONSULTATION.

The Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) is amended by inserting after section 210 the following new section:

''SEC. 210A. CONSULTATION.

''(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

''(1) The appropriate Federal banking agency shall provide the Commission upon request the results of any examination, reports, records, or other information to which such agency may have access with respect to the investment advisory activities—

''(A) of any—

''(i) bank holding company;

''(ii) bank; or

''(iii) separately identifiable department or division of a bank,

that is registered under section 203 of this title; and

''(B) in the case of a bank holding company or bank that has a subsidiary or a separately identifiable department or division registered under that section, of such bank or bank holding company.

''(2) The Commission shall provide to the appropriate Federal banking agency upon request the results of any examination, reports, records, or other information with respect to the investment advisory activities of any bank holding company, bank, or separately identifiable department or division of a bank, which is registered under section 203 of this title.

''(b) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to such bank holding company, bank, or department or division under any other provision of law.

''(c) DEFINITION.—For purposes of this section, the term 'appropriate Federal banking agency' shall have the same meaning given in section 3 of the Federal Deposit Insurance Act.''.

SEC. 221. TREATMENT OF BANK COMMON TRUST FUNDS.

(a) SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking ''or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian'' and inserting ''or any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

''(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940;''.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(3)) is amended by inserting before the period the following: '', if—

''(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

''(B) except in connection with the ordinary advertising of the bank's fiduciary services, interests in such fund are not—

''(i) advertised; or

''(ii) offered for sale to the general public; and

''(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law''.

SEC. 222. INVESTMENT ADVISERS PROHIBITED FROM HAVING CONTROLLING INTEREST IN REGISTERED INVESTMENT COMPANY.

Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a–15) is amended by adding at the end the following new subsection:

''(g) CONTROLLING INTEREST IN INVESTMENT COMPANY PROHIBITED.—

''(1) IN GENERAL.—If an investment adviser to a registered investment company, or an affiliated person of that investment adviser, holds a controlling interest in that registered investment company in a trustee or fiduciary capacity, such person shall—

''(A) if it holds the shares in a trustee or fiduciary capacity with respect to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, transfer the power to vote the shares of the investment company through to another person acting in a fiduciary capacity with respect to the plan who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(B) if it holds the shares in a trustee or fiduciary capacity with respect to any person or entity other than an employee benefit plan subject to the Employee Retirement Income Security Act of 1974—

''(i) transfer the power to vote the shares of the investment company through to—

''(I) the beneficial owners of the shares;

''(II) another person acting in a fiduciary capacity who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(III) any person authorized to receive statements and information with respect to the trust who is not an affiliated person of that investment adviser or any affiliated person thereof;

''(ii) vote the shares of the investment company held by it in the same proportion as shares held by all other shareholders of the investment company; or

''(iii) vote the shares of the investment company as otherwise permitted under such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.

''(2) EXEMPTION.—Paragraph (1) shall not apply to any investment adviser to a registered investment company, or any affiliated person of that investment adviser, that holds shares of the investment company in a trustee or fiduciary capacity if that registered investment company consists solely of assets held in such capacities.

''(3) SAFE HARBOR.—No investment adviser to a registered investment company or any affiliated person of such investment adviser shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law solely by reason of acting in accordance with clause (i), (ii), or (iii) of paragraph (1)(B).''.

SEC. 223. STATUTORY DISQUALIFICATION FOR BANK WRONGDOING.

Section 9(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(a)) is amended in paragraphs (1) and (2) by striking ''securities dealer, transfer agent,'' and inserting ''securities dealer, bank, transfer agent,''.

SEC. 224. CONFORMING CHANGE IN DEFINITION.

Section 2(a)(5) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(5)) is amended by striking ''(A) a banking institution organized under the laws of the United States'' and inserting ''(A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978)''.

SEC. 225. CONFORMING AMENDMENT.

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by adding at the end the following new subsection:

''(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.''.

SEC. 226. CHURCH PLAN EXCLUSION.

Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(14)) is amended—

(1) by redesignating clauses (i) and (ii) of subparagraph (B) as subclauses (I) and (II), respectively;

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by inserting ''(A)'' after ''(14)''; and

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

''(B) If a registered investment company would be excluded from the definition of investment company under this subsection but for the fact that some of the company's assets do not satisfy the condition of subparagraph (A)(ii) of this paragraph, then any investment adviser to the company or affiliated person of such investment adviser shall not be subject to the requirements of section 15(g)(1)(B) with respect to shares of the investment company.''.

SEC. 227. EFFECTIVE DATE.

This subtitle shall take effect 90 days after the date of the enactment of this Act.

Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies

SEC. 231. SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES BY THE SECURITIES AND EXCHANGE COMMISSION.

(a) AMENDMENT.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by redesignating subsection (i) as subsection (k); and

(2) by inserting after subsection (h) the following new subsection:

''(i) INVESTMENT BANK HOLDING COMPANIES.—

''(1) ELECTIVE SUPERVISION OF AN INVESTMENT BANK HOLDING COMPANY NOT HAVING A BANK OR SAVINGS ASSOCIATION AFFILIATE.—

''(A) IN GENERAL.—An investment bank holding company that is not—

''(i) an affiliate of a wholesale financial institution, an insured bank (other than an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956), or a savings association;

''(ii) a foreign bank, foreign company, or company that is described in section 8(a) of the International Banking Act of 1978; or

''(iii) a foreign bank that controls, directly or indirectly, a corporation chartered under section 25A of the Federal Reserve Act,

may elect to become supervised by filing with the Commission a notice of intention to become supervised, pursuant to subparagraph (B) of this paragraph. Any investment bank holding company filing such a notice shall be supervised in accordance with this section and comply with the rules promulgated by the Commission applicable to supervised investment bank holding companies.

''(B) NOTIFICATION OF STATUS AS A SUPERVISED INVESTMENT BANK HOLDING COMPANY.—An investment bank holding company that elects under subparagraph (A) to become supervised by the Commission shall file with the Commission a written notice of intention to become supervised by the Commission in such form and containing such information and documents concerning such investment bank holding company as the Commission, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this section. Unless the Commission finds that such supervision is not necessary or appropriate in furtherance of the purposes of this

section, such supervision shall become effective 45 days after the date of receipt of such written notice by the Commission or within such shorter time period as the Commission, by rule or order, may determine.

''(2) ELECTION NOT TO BE SUPERVISED BY THE COMMISSION AS AN INVESTMENT BANK HOLDING COMPANY.—

''(A) VOLUNTARY WITHDRAWAL.—A supervised investment bank holding company that is supervised pursuant to paragraph (1) may, upon such terms and conditions as the Commission deems necessary or appropriate, elect not to be supervised by the Commission by filing a written notice of withdrawal from Commission supervision. Such notice shall not become effective until one year after receipt by the Commission, or such shorter or longer period as the Commission deems necessary or appropriate to ensure effective supervision of the material risks to the supervised investment bank holding company and to the affiliated broker or dealer, or to prevent evasion of the purposes of this section.

''(B) DISCONTINUATION OF COMMISSION SUPERVISION.—If the Commission finds that any supervised investment bank holding company that is supervised pursuant to paragraph (1) is no longer in existence or has ceased to be an investment bank holding company, or if the Commission finds that continued supervision of such a supervised investment bank holding company is not consistent with the purposes of this section, the Commission may discontinue the supervision pursuant to a rule or order, if any, promulgated by the Commission under this section.

''(3) SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES.—

''(A) RECORDKEEPING AND REPORTING.—

''(i) IN GENERAL.—Every supervised investment bank holding company and each affiliate thereof shall make and keep for prescribed periods such records, furnish copies thereof, and make such reports, as the Commission may require by rule, in order to keep the Commission informed as to—

''(I) the company's or affiliate's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions and relationships between any broker or dealer affiliate of the supervised investment bank holding company; and

''(II) the extent to which the company or affiliate has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(ii) FORM AND CONTENTS.—Such records and reports shall be prepared in such form and according to such specifications (including certification by an independent public accountant), as the Commission may require and shall be provided promptly at any time upon request by the Commission. Such records and reports may include—

''(I) a balance sheet and income statement;

''(II) an assessment of the consolidated capital of the supervised investment bank holding company;

''(III) an independent auditor's report attesting to the supervised investment bank holding company's compliance with its internal risk management and internal control objectives; and

''(IV) reports concerning the extent to which the company or affiliate has complied with the provisions of this title and any regulations prescribed and orders issued under this title.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Commission shall, to the fullest extent possible, accept reports in fulfillment of the requirements under this paragraph that the supervised investment bank holding company or its affiliates have been required to provide to another appropriate regulatory agency or self-regulatory organization.

''(ii) AVAILABILITY.—A supervised investment bank holding company or an affiliate of such company shall provide to the Commission, at the request of the Commission, any report referred to in clause (i).

''(C) EXAMINATION AUTHORITY.—

''(i) FOCUS OF EXAMINATION AUTHORITY.—The Commission may make examinations of any supervised investment bank holding company and any affiliate of such company in order to—

''(I) inform the Commission regarding—

''(aa) the nature of the operations and financial condition of the supervised investment bank holding company and its affiliates;

''(bb) the financial and operational risks within the supervised investment bank holding company that may affect any broker or dealer controlled by such supervised investment bank holding company; and

''(cc) the systems of the supervised investment bank holding company and its affiliates for monitoring and controlling those risks; and

''(II) monitor compliance with the provisions of this subsection, provisions governing transactions and relationships between any broker or dealer affiliated with the supervised investment bank holding company and any of the company's other affiliates, and applicable provisions of subchapter II of chapter 53, title 31, United States Code (commonly referred to as the 'Bank Secrecy Act') and regulations thereunder.

''(ii) RESTRICTED FOCUS OF EXAMINATIONS.—The Commission shall limit the focus and scope of any examination of a supervised investment bank holding company to—

''(I) the company; and

''(II) any affiliate of the company that, because of its size, condition, or activities, the nature or size of the transactions between such affiliate and any affiliated broker or dealer, or the centralization of functions within the holding company system, could, in the discretion of the Commission, have a materially adverse effect on the operational or financial condition of the broker or dealer.

''(iii) DEFERENCE TO OTHER EXAMINATIONS.—For purposes of this subparagraph, the Commission shall, to the fullest extent possible, use the reports of examination of an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956 made by the appropriate regulatory agency, or of a licensed insurance company made by the appropriate State insurance regulator.

''(4) HOLDING COMPANY CAPITAL.—

''(A) AUTHORITY.—If the Commission finds that it is necessary to adequately supervise investment bank holding companies and their broker or dealer affiliates consistent with the purposes of this subsection, the Commission may adopt capital adequacy rules for supervised investment bank holding companies.

''(B) METHOD OF CALCULATION.—In developing rules under this paragraph:

''(i) DOUBLE LEVERAGE.—The Commission shall consider the use by the supervised investment bank holding company of debt and other liabilities to fund capital investments in affiliates.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Commission shall not impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Commission shall not, by rule, regulation, guideline, order or otherwise, impose any capital adequacy provision on a nonbanking affiliate (other than a broker or dealer) that is in compliance with applicable capital requirements of another Federal regulatory authority or State insurance authority.

''(iv) APPROPRIATE EXCLUSIONS.—The Commission shall take full account of the applicable capital requirements of another Federal regulatory authority or State insurance regulator.

''(C) INTERNAL RISK MANAGEMENT MODELS.—The Commission may incorporate internal risk management models into its capital adequacy rules for supervised investment bank holding companies.

''(5) FUNCTIONAL REGULATION OF BANKING AND INSURANCE ACTIVITIES OF SUPERVISED INVESTMENT BANK HOLDING COMPANIES.—The Commission shall defer to—

''(A) the appropriate regulatory agency with regard to all interpretations of, and the enforcement of, applicable banking laws relating to the activities, conduct, ownership, and operations of banks, and institutions described in subparagraph (D), (F), and (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956; and

''(B) the appropriate State insurance regulators with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.

''(6) DEFINITIONS.—For purposes of this subsection:

''(A) The term 'investment bank holding company' means—

''(i) any person other than a natural person that owns or controls one or more brokers or dealers; and

''(ii) the associated persons of the investment bank holding company.

''(B) The term 'supervised investment bank holding company' means any investment bank holding company that is supervised by the Commission pursuant to this subsection.

''(C) The terms 'affiliate', 'bank', 'bank holding company', 'company', 'control', 'savings association', and 'wholesale financial institution' have the same meanings given in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

''(D) The term 'insured bank' has the same meaning given in section 3 of the Federal Deposit Insurance Act.

''(E) The term 'foreign bank' has the same meaning given in section 1(b)(7) of the International Banking Act of 1978.

''(F) The terms 'person associated with an investment bank holding company' and 'associated person of an investment bank holding company' mean any person directly or indirectly controlling, controlled by, or under common control with, an investment bank holding company.''.

''(j) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under subsection (h) or (i) or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of any associated person of a broker or dealer, investment bank holding company, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress,

or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(5) as confidential information for purposes of section 24(b)(2) of this title.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended by adding at the end the following new subparagraph:

''(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

''(i) the Comptroller of the Currency, in the case of a national bank or a bank in the District of Columbia examined by the Comptroller of the Currency;

''(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

''(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

''(iv) the Commission in the case of all other such institutions.''.

(2) Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(A) by striking ''this title'' and inserting ''law''; and

(B) by inserting '', examination reports'' after ''financial records''.

Subtitle D—Disclosure of Customer Costs of Acquiring Financial Products

SEC. 241. IMPROVED AND CONSISTENT DISCLOSURE.

(a) REVISED REGULATIONS REQUIRED.—Within one year after the date of enactment of this Act, each Federal financial regulatory authority shall prescribe rules, or revisions to its rules, to improve the accuracy, simplicity, and completeness, and to make more consistent, the disclosure of information by persons subject to the jurisdiction of such regulatory authority concerning any commissions, fees, or other costs incurred by customers in the acquisition of financial products.

(b) CONSULTATION.—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consult with each other and with appropriate State financial regulatory authorities.

(c) CONSIDERATION OF EXISTING DISCLOSURES.—In prescribing rules and revisions under subsection (a), the Federal financial regulatory authorities shall consider the sufficiency and appropriateness of then existing laws and rules applicable to persons subject to their jurisdiction, and may prescribe exemptions from the rules and revisions required by subsection (a) to the extent appropriate in light of the objective of this section to increase the consistency of disclosure practices.

(d) ENFORCEMENT.—Any rule prescribed by a Federal financial regulatory authority pursuant to this section shall, for purposes of enforcement, be treated as a rule prescribed by such regulatory authority pursuant to the statute establishing such regulatory authority's jurisdiction over the persons to whom such rule applies.

(e) DEFINITION.—As used in this section, the term ''Federal financial regulatory authority'' means the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Commission, and any self-regulatory organization under the supervision of any of the foregoing.

TITLE III—INSURANCE

Subtitle A—State Regulation of Insurance

SEC. 301. STATE REGULATION OF THE BUSINESS OF INSURANCE.

The Act entitled ''An Act to express the intent of the Congress with reference to the regulation of the business of insurance'' and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the ''McCarran-Ferguson Act'' remains the law of the United States.

SEC. 302. MANDATORY INSURANCE LICENSING REQUIREMENTS.

No person shall engage in the business of insurance in a State as principal or agent unless such person is licensed as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance law, subject to section 104.

SEC. 303. FUNCTIONAL REGULATION OF INSURANCE.

The insurance activities of any person (including a national bank exercising its power to act as agent under the 11th undesignated paragraph of section 13 of the Federal Reserve Act) shall be functionally regulated by the States, subject to section 104.

SEC. 304. INSURANCE UNDERWRITING IN NATIONAL BANKS.

(a) IN GENERAL.—Except as provided in section 305, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

(b) AUTHORIZED PRODUCTS.—For the purposes of this section, a product is authorized if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term ''insurance'' means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; or

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

SEC. 305. TITLE INSURANCE ACTIVITIES OF NATIONAL BANKS AND THEIR AFFILIATES.

(a) GENERAL PROHIBITION.—No national bank, and no subsidiary of a national bank, may engage in any activity involving the underwriting or sale of title insurance.

(b) NONDISCRIMINATION PARITY EXCEPTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law (including section 104 of this Act), in the case of any State in which banks organized under the laws of such State are authorized to sell title insurance as agency, a national bank and a subsidiary of a national bank may sell title insurance as agent in such State, but only in the same manner, to the same extent, and under the same restrictions as such State banks are authorized to sell title insurance as agent in such State.

(2) COORDINATION WITH ''WILDCARD'' PROVISION.—A State law which authorizes State banks to engage in any activities in such State in which a national bank may engage shall not be treated as a statute which authorizes State banks to sell title insurance as agent, for purposes of paragraph (1).

(c) GRANDFATHERING WITH CONSISTENT REGULATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3) and notwithstanding subsections (a) and (b), a national bank, and a subsidiary of a national bank, may conduct title insurance activities which such national bank or subsidiary was actively and lawfully conducting before the date of the enactment of this Act.

(2) INSURANCE AFFILIATE.—In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank

and any subsidiary of the national bank may not engage in the underwriting of title insurance pursuant to paragraph (1).

(3) INSURANCE SUBSIDIARY.—In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate other than a subsidiary which provides insurance as principal, the national bank may not directly engage in any activity involving the underwriting of title insurance.

(d) ''AFFILIATE'' AND ''SUBSIDIARY'' DEFINED.—For purposes of this section, the terms ''affiliate'' and ''subsidiary'' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

(e) RULE OF CONSTRUCTION.—No provision of this Act or any other Federal law shall be construed as superseding or affecting a State law which was in effect before the date of the enactment of this Act and which prohibits title insurance from being offered, provided, or sold in such State, or from being underwritten with respect to real property in such State, by any person whatsoever.

SEC. 306. EXPEDITED AND EQUALIZED DISPUTE RESOLUTION FOR FEDERAL REGULATORS.

(a) FILING IN COURT OF APPEALS.—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator as to whether any product is or is not insurance, as defined in section 304(c) of this Act, or whether a State statute, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceeding agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No petition may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) STANDARD OF REVIEW.—The court shall decide a petition filed under this section based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, without unequal deference.

SEC. 307. CONSUMER PROTECTION REGULATIONS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 46 (as added by section 122(b) of this Act) the following new section:

''SEC. 47. CONSUMER PROTECTION REGULATIONS.

''(a) REGULATIONS REQUIRED.—

''(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of the enactment of the Financial Services Act of 1999, consumer protection regulations (which the agencies jointly determine to be appropriate) that—

''(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution; and

''(B) are consistent with the requirements of this Act and provide such additional protections for consumers to whom such sales, solicitations, advertising, or offers are directed as the agency determines to be appropriate.

''(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution, as deemed appropriate by the regulators referred to in paragraph (3), where such extension is determined to be necessary to ensure the consumer protections provided by this section.

''(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

''(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include anticoercion rules applicable to the sale of insurance products which prohibit an insured depository institution from engaging in any practice that would lead a consumer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

''(1) the purchase of an insurance product from the institution or any of its affiliates; or

''(2) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

''(1) DISCLOSURES.—

''(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clause (iv), at the time of application for an extension of credit:

''(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

''(ii) INVESTMENT RISK.—In the case of a variable annuity or other insurance product which involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

''(iv) COERCION.—The approval of an extension of credit may not be conditioned on—

''(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

''(II) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

''(i) 'NOT FDIC–INSURED'.

''(ii) 'NOT GUARANTEED BY THE BANK'.

''(iii) 'MAY GO DOWN IN VALUE'.

''(iv) 'NOT INSURED BY ANY GOVERNMENT AGENCY'.

''(C) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (D), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

''(D) CONSUMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time a consumer receives the disclosures required under this paragraph or at the time of the initial purchase by the consumer of such product, an acknowledgment by such consumer of the receipt of the disclosure required under this subsection with respect to such product.

''(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary as appropriate, which could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

''(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

''(B) in the case of a variable annuity or other insurance product that involves an investment risk, the investment risk associated with any such product.

''(d) SEPARATION OF BANKING AND NONBANKING ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

''(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following:

''(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

''(B) REFERRALS.—Standards which permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

''(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

''(e) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under the section, which shall—

''(1) establish a group within each regulatory agency to receive such complaints;

''(2) develop procedures for investigating such complaints;

''(3) develop procedures for informing consumers of rights they may have in connection with such complaints; and

''(4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

''(f) EFFECT ON OTHER AUTHORITY.—

''(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

''(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law; or

''(B) except as provided in paragraph (2), any authority of any State insurance commissioner or other State authority under any State law.

''(2) COORDINATION WITH STATE LAW.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

''(B) PREEMPTION.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation determine jointly that the protection afforded by such provision for consumers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, such provision of the regulations prescribed under this section shall supersede the comparable provision of such State statute, regulation, order, or interpretation.

''(h) INSURANCE PRODUCT DEFINED.—For purposes of this section, the term 'insurance product' includes an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.''.

SEC. 308. CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.

Except as provided in section 104(a)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or significantly interfere with the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a financial holding company or to acquire control of an insured depository institution;

(2) limit the amount of an insurer's assets that may be invested in the voting securities of an insured depository institution (or any company which controls such institution), except that the laws of an insurer's State of domicile may limit the amount of such investment to an amount that is not less than 5 percent of the insurer's admitted assets; or

(3) prevent, significantly interfere with, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise) unless such State is the State of domicile of the insurer.

SEC. 309. INTERAGENCY CONSULTATION.

(a) PURPOSE.—It is the intention of Congress that the Board of Governors of the Federal Reserve System, as the umbrella supervisor for financial holding companies, and the State insurance regulators, as the functional regulators of companies engaged in insurance activities, coordinate efforts to supervise companies that control both a depository institution and a company engaged in insurance activities regulated under State law. In particular, Congress believes that the Board and the State insurance regulators should share, on a confidential basis, information relevant to the supervision of companies that control both a depository institution and a company engaged in insurance activities, including information regarding the financial health of the consolidated organization and information regarding transactions and relationships between insurance companies and affiliated depository institutions. The appropriate Federal banking agencies for depository institutions should also share, on a confidential basis, information with the relevant State insurance regulators regarding transactions and relationships between depository institutions and affiliated companies engaged in insurance activities. The purpose of this section is to encourage this coordination and confidential sharing of information, and to thereby improve both the efficiency and the quality of the supervision of financial holding companies and their affiliated depository institutions and companies engaged in insurance activities.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide any information of the Board regarding the financial condition, risk management policies, and operations of any financial holding company that controls a company that is engaged in insurance activities and is regulated by such State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide any information of the agency regarding any transaction or relationship between a depository institution supervised by such Federal banking agency and any affiliated company that is engaged in insurance activities regulated by such State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the Board or the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which such insurance regulator may have access with respect to a company which—

(A) is engaged in insurance activities and regulated by such insurance regulator; and

(B) is an affiliate of an insured depository institution, wholesale financial institution, or financial holding company.

(c) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution, wholesale financial institution, or financial holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(d) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution, wholesale financial institution, or bank holding company or any affiliate thereof under any provision of law.

(e) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency shall not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms ''appropriate Federal banking agency'' and ''insured depository institution'' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; FINANCIAL HOLDING COMPANY; AND WHOLESALE FINANCIAL INSTITUTION.—The terms ''Board'', ''financial holding company'', and ''wholesale financial institution'' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

SEC. 310. DEFINITION OF STATE.

For purposes of this subtitle, the term ''State'' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

Subtitle B—National Association of Registered Agents and Brokers

SEC. 321. STATE FLEXIBILITY IN MULTISTATE LICENSING REFORMS.

(a) IN GENERAL.—The provisions of this subtitle shall take effect unless, not later than 3 years after the date of enactment of this Act, at least a majority of the States—

(1) have enacted uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the State; or

(2) have enacted reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those States.

(b) UNIFORMITY REQUIRED.—States shall be deemed to have established the uniformity necessary to satisfy subsection (a)(1) if the States—

(1) establish uniform criteria regarding the integrity, personal qualifications, education, training, and experience of licensed insurance producers, including the qualification and training of sales personnel in ascertaining the appropriateness of a particular insurance product for a prospective customer;

(2) establish uniform continuing education requirements for licensed insurance producers;

(3) establish uniform ethics course requirements for licensed insurance producers in conjunction with the continuing education requirements under paragraph (2);

(4) establish uniform criteria to ensure that an insurance product, including any annuity contract, sold to a consumer is suitable and appropriate for the consumer based on financial information disclosed by the consumer; and

(5) do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(c) RECIPROCITY REQUIRED.—States shall be deemed to have established the reciprocity required to satisfy subsection (a)(2) if the following conditions are met:

(1) ADMINISTRATIVE LICENSING PROCEDURES.—At least a majority of the States permit a producer that has a resident license for selling or soliciting the purchase of insurance in its home State to receive a license to sell or solicit the purchase of insurance in such majority of States as a nonresident to the same extent that such producer is permitted to sell or solicit the purchase of insurance in its State, if the producer's home State also awards such licenses on such a reciprocal basis, without satisfying any additional requirements other than submitting—

(A) a request for licensure;

(B) the application for licensure that the producer submitted to its home State;

(C) proof that the producer is licensed and in good standing in its home State; and

(D) the payment of any requisite fee to the appropriate authority.

(2) CONTINUING EDUCATION REQUIREMENTS.—A majority of the States accept an insurance producer's satisfaction of its home State's continuing education requirements for licensed insurance producers to satisfy the States' own continuing education requirements if the producer's home State also recognizes the satisfaction of continuing education requirements on such a reciprocal basis.

(3) NO LIMITING NONRESIDENT REQUIREMENTS.—A majority of the States do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) RECIPROCAL RECIPROCITY.—Each of the States that satisfies paragraphs (1), (2), and (3) grants reciprocity to residents of all of the other States that satisfy such paragraphs.

(d) DETERMINATION.—

(1) NAIC DETERMINATION.—At the end of the 3-year period beginning on the date of the enactment of this Act, the National Association of Insurance Commissioners shall determine, in consultation with the insurance commissioners or chief insurance regulatory officials of the States, whether the uniformity or reciprocity required by subsections (b) and (c) has been achieved.

(2) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over any challenge to the National Association of Insurance Commissioners' determination under this section and such court shall apply the standards set forth in section 706 of title 5, United States Code, when reviewing any such challenge.

(e) CONTINUED APPLICATION.—If, at any time, the uniformity or reciprocity required by subsections (b) and (c) no longer exists, the provisions of this subtitle shall take effect 2 years after the date on which such uniformity or reciprocity ceases to exist, unless the uniformity or reciprocity required by those provisions is satisfied before the expiration of that 2-year period.

(f) SAVINGS PROVISION.—No provision of this section shall be construed as requiring that any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws, be altered or amended in order to satisfy the uniformity or reciprocity required by subsections (b) and (c), unless any such law, regulation, provision, or action is inconsistent with a specific requirement of any such subsection and then only to the extent of such inconsistency.

(g) UNIFORM LICENSING.—Nothing in this section shall be construed to require any State to adopt new or additional licensing requirements to achieve the uniformity necessary to satisfy subsection (a)(1).

SEC. 322. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.

(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the ''Association'').

(b) STATUS.—The Association shall—

(1) be a nonprofit corporation;

(2) have succession until dissolved by an Act of Congress;

(3) not be an agent or instrumentality of the United States Government; and

(4) except as otherwise provided in this Act, be subject to, and have all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29y–1001 et seq.).

SEC. 323. PURPOSE.

The purpose of the Association shall be to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements and conditions can be adopted and applied on a multistate basis, while preserving the right of States to license, supervise, and discipline insurance producers and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

SEC. 324. RELATIONSHIP TO THE FEDERAL GOVERNMENT.

The Association shall be subject to the supervision and oversight of the National Association of Insurance Commissioners (hereafter in this subtitle referred to as the ''NAIC'').

SEC. 325. MEMBERSHIP.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Any State-licensed insurance producer shall be eligible to become a member in the Association.

(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year period preceding the date on which such producer applies for membership.

(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator renews the license of such producer in the State in which the license was suspended or revoked; or

(B) the suspension or revocation is subsequently overturned.

(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association shall have the authority to establish membership criteria that—

(1) bear a reasonable relationship to the purposes for which the Association was established; and

(2) do not unfairly limit the access of smaller agencies to the Association membership.

(c) ESTABLISHMENT OF CLASSES AND CATEGORIES.—

(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, or experience.

(2) CATEGORIES.—The Association may establish separate categories of membership for individuals and for other persons. The establishment of any such categories of membership shall be based either on the types of licensing categories that exist under State laws or on the aggregate amount of business handled by an insurance producer. No special categories of membership, and no distinct membership criteria, shall be established for members which are insured depository institutions or wholesale financial institutions or for their employees, agents, or affiliates.

(d) MEMBERSHIP CRITERIA.—

(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for integrity, personal qualifications, education, training, and experience.

(2) MINIMUM STANDARD.—In establishing criteria under paragraph (1), the Association shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

(e) EFFECT OF MEMBERSHIP.—Membership in the Association shall entitle the member to licensure in each State for which the member pays the requisite fees, including licensing fees and, where applicable, bonding requirements, set by such State.

(f) ANNUAL RENEWAL.—Membership in the Association shall be renewed on an annual basis.

(g) CONTINUING EDUCATION.—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

(h) SUSPENSION AND REVOCATION.—The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association; or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

(i) OFFICE OF CONSUMER COMPLAINTS.—

(1) IN GENERAL.—The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

(2) RECORDS AND REFERRALS.—The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

(3) TELEPHONE AND OTHER ACCESS.—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

SEC. 326. BOARD OF DIRECTORS.

(a) ESTABLISHMENT.—There is established the board of directors of the Association (hereafter in this subtitle referred to as the ''Board'') for the purpose of governing and supervising the activities of the Association and the members of the Association.

(b) POWERS.—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

(c) COMPOSITION.—

(1) MEMBERS.—The Board shall be composed of 7 members appointed by the NAIC.

(2) REQUIREMENT.—At least 4 of the members of the Board shall have significant experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

(3) INITIAL BOARD MEMBERSHIP.—

(A) IN GENERAL.—If, by the end of the 2-year period beginning on the date of enactment of this Act, the NAIC has not appointed the initial 7 members of the Board of the Association, the initial Board shall consist of the 7 State insurance regulators of the 7 States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

(B) ALTERNATE COMPOSITION.—If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

(C) INOPERABILITY.—If fewer than 7 State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 332.

(d) TERMS.—The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with ⅓ of the directors to be appointed each year.

(e) BOARD VACANCIES.—A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

(f) MEETINGS.—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

SEC. 327. OFFICERS.

(a) IN GENERAL.—

(1) POSITIONS.—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

(2) MANNER OF SELECTION.—Each officer of the Board and the Association shall be elected or appointed at such time and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

(b) CRITERIA FOR CHAIRPERSON.—Only individuals who are members of the NAIC shall be eligible to serve as the chairperson of the board of directors.

SEC. 328. BYLAWS, RULES, AND DISCIPLINARY ACTION.

(a) ADOPTION AND AMENDMENT OF BYLAWS.—

(1) COPY REQUIRED TO BE FILED WITH THE NAIC.—The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

(2) EFFECTIVE DATE.—Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) 30 days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) upon such earlier date as the NAIC may determine.

(3) DISAPPROVAL BY THE NAIC.—Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subtitle and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such subsection.

(b) ADOPTION AND AMENDMENT OF RULES.—

(1) FILING PROPOSED REGULATIONS WITH THE NAIC.—

(A) IN GENERAL.—The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

(B) OTHER RULES AND AMENDMENTS INEFFECTIVE.—No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

(2) INITIAL CONSIDERATION BY THE NAIC.—Not later than 35 days after the date of publication of notice of filing of a proposal, or before the end of such longer period not to exceed 90 days as the NAIC may designate after such date, if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

(3) NAIC PROCEEDINGS.—

(A) IN GENERAL.—Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded not later than 180 days after the date of the Association's filing of such proposed rule or amendment.

(B) DISPOSITION OF PROPOSAL.—At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

(C) EXTENSION OF TIME FOR CONSIDERATION.—The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) for such longer period as to which the Association consents.

(4) STANDARDS FOR REVIEW.—

(A) GROUNDS FOR APPROVAL.—The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

(B) APPROVAL BEFORE END OF NOTICE PERIOD.—The NAIC shall not approve any proposed rule before the end of the 30-day period

beginning on the date on which the Association files proposed rules or amendments in accordance with paragraph (1), unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

(5) ALTERNATE PROCEDURE.—

(A) IN GENERAL.—Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association shall take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.

(B) ABROGATION BY THE NAIC.—

(i) IN GENERAL.—At any time within 60 days after the date of filing of any proposed rule or amendment under subparagraph (A)(i) or clause (ii) of this subparagraph, the NAIC may repeal such rule or amendment and require that the rule or amendment be refiled and reviewed in accordance with this paragraph, if the NAIC finds that such action is necessary or appropriate in the public interest, for the protection of insurance producers or policyholders, or otherwise in furtherance of the purposes of this subtitle.

(ii) EFFECT OF RECONSIDERATION BY THE NAIC.—Any action of the NAIC pursuant to clause (i) shall—

(I) not affect the validity or force of a rule change during the period such rule or amendment was in effect; and

(II) not be considered to be a final action.

(c) ACTION REQUIRED BY THE NAIC.—The NAIC may, in accordance with such rules as the NAIC determines to be necessary or appropriate to the public interest or to carry out the purposes of this subtitle, require the Association to adopt, amend, or repeal any bylaw, rule or amendment of the Association, whenever adopted.

(d) DISCIPLINARY ACTION BY THE ASSOCIATION.—

(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed (hereafter in this section referred to as a ''disciplinary action''), the Association shall bring specific charges, notify such member of such charges, give the member an opportunity to defend against the charges, and keep a record.

(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

(A) any act or practice in which such member has been found to have been engaged;

(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

(C) the sanction imposed and the reason for such sanction.

(e) NAIC REVIEW OF DISCIPLINARY ACTION.—

(1) NOTICE TO THE NAIC.—If the Association orders any disciplinary action, the Association shall promptly notify the NAIC of such action.

(2) REVIEW BY THE NAIC.—Any disciplinary action taken by the Association shall be subject to review by the NAIC—

(A) on the NAIC's own motion; or

(B) upon application by any person aggrieved by such action if such application is filed with the NAIC not more than 30 days after the later of—

(i) the date the notice was filed with the NAIC pursuant to paragraph (1); or

(ii) the date the notice of the disciplinary action was received by such aggrieved person.

(f) EFFECT OF REVIEW.—The filing of an application to the NAIC for review of a disciplinary action, or the institution of review by the NAIC on the NAIC's own motion, shall not operate as a stay of disciplinary action unless the NAIC otherwise orders.

(g) SCOPE OF REVIEW.—

(1) IN GENERAL.—In any proceeding to review such action, after notice and the opportunity for hearing, the NAIC shall—

(A) determine whether the action should be taken;

(B) affirm, modify, or rescind the disciplinary sanction; or

(C) remand to the Association for further proceedings.

(2) DISMISSAL OF REVIEW.—The NAIC may dismiss a proceeding to review disciplinary action if the NAIC finds that—

(A) the specific grounds on which the action is based exist in fact;

(B) the action is in accordance with applicable rules and regulations; and

(C) such rules and regulations are, and were, applied in a manner consistent with the purposes of this subtitle.

SEC. 329. ASSESSMENTS.

(a) INSURANCE PRODUCERS SUBJECT TO ASSESSMENT.—The Association may establish such application and membership fees as the Association finds necessary to cover the costs of its operations, including fees made reimbursable to the NAIC under subsection (b), except that, in setting such fees, the Association may not discriminate against smaller insurance producers.

(b) NAIC ASSESSMENTS.—The NAIC may assess the Association for any costs that the NAIC incurs under this subtitle.

SEC. 330. FUNCTIONS OF THE NAIC.

(a) ADMINISTRATIVE PROCEDURE.—Determinations of the NAIC, for purposes of making rules pursuant to section 328, shall be made after appropriate notice and opportunity for a hearing and for submission of views of interested persons.

(b) EXAMINATIONS AND REPORTS.—

(1) EXAMINATIONS.—The NAIC may make such examinations and inspections of the Association and require the Association to furnish to the NAIC such reports and records or copies thereof as the NAIC may consider necessary or appropriate in the public interest or to effectuate the purposes of this subtitle.

(2) REPORT BY ASSOCIATION.—As soon as practicable after the close of each fiscal year, the Association shall submit to the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year. The NAIC shall transmit such report to the President and the Congress with such comment thereon as the NAIC determines to be appropriate.

SEC. 331. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.

(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

(b) LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.—Neither the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

SEC. 332. ELIMINATION OF NAIC OVERSIGHT.

(a) IN GENERAL.—The Association shall be established without NAIC oversight and the provisions set forth in section 324, subsections (a), (b), (c), and (e) of section 328, and sections 329(b) and 330 of this subtitle shall cease to be effective if, at the end of the 2-year period beginning on the date on which the provisions of this subtitle take effect pursuant to section 321—

(1) at least a majority of the States representing at least 50 percent of the total United States commercial-lines insurance premiums have not satisfied the uniformity or reciprocity requirements of subsections (a), (b), and (c) of section 321; and

(2) the NAIC has not approved the Association's bylaws as required by section 328 or is unable to operate or supervise the Association, or the Association is not conducting its activities as required under this Act.

(b) BOARD APPOINTMENTS.—If the repeals required by subsection (a) are implemented, the following shall apply:

(1) GENERAL APPOINTMENT POWER.—The President, with the advice and consent of the Senate, shall appoint the members of the Association's Board established under section 326 from lists of candidates recommended to the President by the National Association of Insurance Commissioners.

(2) PROCEDURES FOR OBTAINING NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS APPOINTMENT RECOMMENDATIONS.—

(A) INITIAL DETERMINATION AND RECOMMENDATIONS.—After the date on which the provisions of subsection (a) take effect, the NAIC shall, not later than 60 days thereafter, provide a list of recommended candidates to the President. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least 14 recommended candidates or comply with the requirements of section 326(c), the President shall, with the advice and consent of the Senate, make the requisite appointments without considering the views of the NAIC.

(B) SUBSEQUENT APPOINTMENTS.—After the initial appointments, the NAIC shall provide a list of at least 6 recommended candidates for the Board to the President by January 15 of each subsequent year. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least 6 recommended candidates or comply with the requirements of section 326(c), the President, with the advice and consent of the Senate, shall make the requisite appointments without considering the views of the NAIC.

(C) PRESIDENTIAL OVERSIGHT.—

(i) REMOVAL.—If the President determines that the Association is not acting in the interests of the public, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

(ii) SUSPENSION OF RULES OR ACTIONS.—The President, or a person designated by the President for such purpose, may suspend the

effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines is contrary to the public interest.

(c) ANNUAL REPORT.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President and to the Congress a written report relative to the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

SEC. 333. RELATIONSHIP TO STATE LAW.

(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted as provided in subsection (b).

(b) PROHIBITED ACTIONS.—No State shall—

(1) impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

(2) impose any requirement upon a member of the Association that it pay different fees to be licensed or otherwise qualified to do business in that State, including bonding requirements, based on its residency;

(3) impose any licensing, appointment, integrity, personal or corporate qualifications, education, training, experience, residency, or continuing education requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section; or

(4) implement the procedures of such State's system of licensing or renewing the licenses of insurance producers in a manner different from the authority of the Association under section 325.

(c) SAVINGS PROVISION.—Except as provided in subsections (a) and (b), no provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or other action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws.

SEC. 334. COORDINATION WITH OTHER REGULATORS.

(a) COORDINATION WITH STATE INSURANCE REGULATORS.—The Association shall have the authority to—

(1) issue uniform insurance producer applications and renewal applications that may be used to apply for the issuance or removal of State licenses, while preserving the ability of each State to impose such conditions on the issuance or renewal of a license as are consistent with section 333;

(2) establish a central clearinghouse through which members of the Association may apply for the issuance or renewal of licenses in multiple States; and

(3) establish or utilize a national database for the collection of regulatory information concerning the activities of insurance producers.

(b) COORDINATION WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.—The Association shall coordinate with the National Association of Securities Dealers in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

SEC. 335. JUDICIAL REVIEW.

(a) JURISDICTION.—The appropriate United States district court shall have exclusive jurisdiction over litigation involving the Association, including disputes between the Association and its members that arise under this subtitle. Suits brought in State court involving the Association shall be deemed to have arisen under Federal law and therefore be subject to jurisdiction in the appropriate United States district court.

(b) EXHAUSTION OF REMEDIES.—An aggrieved person shall be required to exhaust all available administrative remedies before the Association and the NAIC before it may seek judicial review of an Association decision.

(c) STANDARDS OF REVIEW.—The standards set forth in section 553 of title 5, United States Code, shall be applied whenever a rule or bylaw of the Association is under judicial review, and the standards set forth in section 554 of title 5, United States Code, shall be applied whenever a disciplinary action of the Association is judicially reviewed.

SEC. 336. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) HOME STATE.—The term ''home State'' means the State in which the insurance producer maintains its principal place of residence and is licensed to act as an insurance producer.

(2) INSURANCE.—The term ''insurance'' means any product, other than title insurance, defined or regulated as insurance by the appropriate State insurance regulatory authority.

(3) INSURANCE PRODUCER.—The term ''insurance producer'' means any insurance agent or broker, surplus lines broker, insurance consultant, limited insurance representative, and any other person that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

(4) STATE.—The term ''State'' includes any State, the District of Columbia, American Samoa, Guam, Puerto Rico, and the United States Virgin Islands.

(5) STATE LAW.—The term ''State law'' includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

Subtitle C—Rental Car Agency Insurance Activities

SEC. 341. STANDARD OF REGULATION FOR MOTOR VEHICLE RENTALS.

(a) PROTECTION AGAINST RETROACTIVE APPLICATION OF REGULATORY AND LEGAL ACTION.—Except as provided in subsection (b), during the 3-year period beginning on the date of the enactment of this Act, it shall be a presumption that no State law imposes any licensing, appointment, or education requirements on any person who solicits the purchase of or sells insurance connected with, and incidental to, the lease or rental of a motor vehicle.

(b) PREEMINENCE OF STATE INSURANCE LAW.—No provision of this section shall be construed as altering the validity, interpretation, construction, or effect of—

(1) any State statute;

(2) the prospective application of any court judgment interpreting or applying any State statute; or

(3) the prospective application of any final State regulation, order, bulletin, or other statutorily authorized interpretation or action,

which, by its specific terms, expressly regulates or exempts from regulation any person who solicits the purchase of or sells insurance connected with, and incidental to, the short-term lease or rental of a motor vehicle.

(c) SCOPE OF APPLICATION.—This section shall apply with respect to—

(1) the lease or rental of a motor vehicle for a total period of 90 consecutive days or less; and

(2) insurance which is provided in connection with, and incidentally to, such lease or rental for a period of consecutive days not exceeding the lease or rental period.

(d) MOTOR VEHICLE DEFINED.—For purposes of this section, the term ''motor vehicle'' has the meaning given to such term in section 13102 of title 49, United States Code.

Subtitle D—Confidentiality

SEC. 351. CONFIDENTIALITY OF HEALTH AND MEDICAL INFORMATION.

(a) IN GENERAL.—A company which underwrites or sells annuities contracts or contracts insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than credit-related insurance) and any subsidiary or affiliate thereof shall maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information and may disclose such information only—

(1) with the consent, or at the direction, of the customer;

(2) for insurance underwriting and reinsuring policies, account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), providing information to the customer's physician or other health care provider, participating in research projects, enabling the purchase, transfer, merger, or sale of any insurance-related business, or as otherwise required or specifically permitted by Federal or State law; or

(3) in connection with—

(A) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit, or other payment card or account number, or by other payment means;

(B) the transfer of receivables, accounts, or interest therein;

(C) the audit of the debit, credit, or other payment information;

(D) compliance with Federal, State, or local law;

(E) compliance with a properly authorized civil, criminal, or regulatory investigation by Federal, State, or local authorities as governed by the requirements of this section; or

(F) fraud protection, risk control, resolving customer disputes or inquiries, communicating with the person to whom the information relates, or reporting to consumer reporting agencies.

(b) STATE ACTIONS FOR VIOLATIONS.—In addition to such other remedies as are provided under State law, if the chief law enforcement

officer of a State, State insurance regulator, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction.

(c) EFFECTIVE DATE; SUNSET.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), subsection (a) shall take effect on February 1, 2000.

(2) SUNSET.—Subsection (a) shall not take effect if, or shall cease to be effective on and after the date on which, legislation is enacted that satisfies the requirements in section 264(c)(1) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2033).

(d) CONSULTATION.—While subsection (a) is in effect, State insurance regulatory authorities, through the National Association of Insurance Commissioners, shall consult with the Secretary of Health and Human Services in connection with the administration of such subsection.

TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

SEC. 401. PROHIBITION ON NEW UNITARY SAVINGS AND LOAN HOLDING COMPANIES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) TERMINATION OF EXPANDED POWERS FOR NEW UNITARY HOLDING COMPANY.—

''(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after March 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2); or

''(ii) for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.

''(B) EXISTING UNITARY HOLDING COMPANIES AND THE SUCCESSORS TO SUCH COMPANIES.—Subparagraph (A) shall not apply, and paragraph (3) shall continue to apply, to a company (or any subsidiary of such company) that—

''(i) either—

''(I) acquired 1 or more savings associations described in paragraph (3) pursuant to applications at least 1 of which was filed on or before March 4, 1999; or

''(II) subject to subparagraph (C), became a savings and loan holding company by acquiring control of the company described in subclause (I); and

''(ii) continues to control the savings association referred to in clause (i)(II) or the successor to any such savings association.

''(C) NOTICE PROCESS FOR NONFINANCIAL ACTIVITIES BY A SUCCESSOR UNITARY HOLDING COMPANY.—

''(i) NOTICE REQUIRED.—Subparagraph (B) shall not apply to any company described in subparagraph (B)(i)(II) which engages, directly or indirectly, in any activity other than activities described in clauses (i) and (ii) of subparagraph (A), unless—

''(I) in addition to an application to the Director under this section to become a savings and loan holding company, the company submits a notice to the Board of Governors of the Federal Reserve System of such nonfinancial activities in the same manner as a notice of nonbanking activities is filed with the Board under section 4(j) of the Bank Holding Company Act of 1956; and

''(II) before the end of the applicable period under such section 4(j), the Board either approves or does not disapprove of the continuation of such activities by such company, directly or indirectly, after becoming a savings and loan holding company.

''(ii) PROCEDURE.—Section 4(j) of the Bank Holding Company Act of 1956, including the standards for review, shall apply to any notice filed with the Board under this subparagraph in the same manner as it applies to notices filed under such section.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 10(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(3)) is amended by striking ''Notwithstanding'' and inserting ''Except as provided in paragraph (9) and notwithstanding''.

(c) CONFORMING AMENDMENT.—Section 10(o)(5) of the Home Owners' Loan Act (12 U.S.C. 1467a(o)(5)) is amended—

(1) in subparagraph (E), by striking '', except subparagraph (B)''; and

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

''(F) In the case of a mutual holding company which is a savings and loan holding company described in subsection (c)(3), engaging in the activities permitted for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.''.

SEC. 402. RETENTION OF ''FEDERAL'' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.

Section 2 of the Act entitled ''An Act to enable national banking associations to increase their capital stock and to change their names or locations'', approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

''(d) RETENTION OF 'FEDERAL' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.—

''(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, any depository institution the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of the enactment of the Financial Services Act of 1999 may retain the term 'Federal' in the name of such institution if such depository institution remains an insured depository institution.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution', 'insured depository institution', 'national bank', and 'State bank' have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

TITLE V—PRIVACY

Subtitle A—Privacy Policy

SEC. 501. DEPOSITORY INSTITUTION PRIVACY POLICIES.

Section 6 of the Bank Holding Company Act of 1956 (as added by section 103 of this title) is amended by adding at the end the following new subsection:

''(h) DEPOSITORY INSTITUTION PRIVACY POLICIES.—

''(1) DISCLOSURE REQUIRED.—In the case of any insured depository institution which becomes affiliated under this section with a financial holding company, the privacy policy of such depository institution shall be clearly and conspicuously disclosed—

''(A) with respect to any person who becomes a customer of the depository institution any time after the depository institution becomes affiliated with such company, to such person at the time at which the business relationship between the customer and the institution is initiated; and

''(B) with respect to any person who already is a customer of the depository institution at the time the depository institution becomes affiliated with such company, to such person within a reasonable time after the affiliation is consummated.

''(2) INFORMATION TO BE INCLUDED.—The privacy policy of an insured depository institution which is disclosed pursuant to paragraph (1) shall include—

''(A) the policy of the institution with respect to disclosing customer information to third parties, other than agents of the depository institution, for marketing purposes; and

''(B) the disclosures required under section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act with regard to the right of the customer, at any time, to direct that information referred to in such section not be shared with affiliates of the depository institution.

''(3) APPLICABILITY.—For purposes of section 10 of the Home Owners' Loan Act, this subsection and subsection (i) shall apply with regard to a savings and loan holding company and any affiliate or insured depository institution subsidiary of such holding company to the same extent and in the same manner this subsection and subsection (i) apply with respect to a financial holding company, affiliate of a financial holding company, or insured depository institution subsidiary of a financial holding company.''.

SEC. 502. STUDY OF CURRENT FINANCIAL PRIVACY LAWS.

(a) IN GENERAL.—The Federal banking agencies shall conduct a study of whether existing laws which regulate the sharing of customer information by insured depository institutions with affiliates of such institutions adequately protect the privacy rights of customers of such institutions.

(b) REPORT.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Federal banking agencies shall submit a report to the Congress containing the findings and conclusions of the agency with respect to the study required under subsection (a), together with such recommendations for legislative or administrative action as the agencies may determine to be appropriate.

(c) DEFINITIONS.—For purposes of this section, the terms ''affiliate'', ''Federal banking agency'', and ''insured depository institution'' have the meanings given to such terms in section 3 of the Federal Deposit Insurance Act.

Subtitle B—Fraudulent Access to Financial Information

SEC. 521. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.

(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this subtitle for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

(1) by making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution;

(2) by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution; or

(3) by providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation.

(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this subtitle to request a person to obtain customer information of a financial institution, knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed so as to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

(e) NONAPPLICABILITY TO INSURANCE INSTITUTIONS FOR INVESTIGATION OF INSURANCE FRAUD.—No provision of this section shall be construed so as to prevent any insurance institution, or any officer, employee, or agency of an insurance institution, from obtaining information as part of an insurance investigation into criminal activity, fraud, material misrepresentation, or material nondisclosure that is authorized for such institution under State law, regulation, interpretation, or order.

(f) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed so as to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

(g) NONAPPLICABILITY TO COLLECTION OF CHILD SUPPORT JUDGMENTS.—No provision of this section shall be construed to prevent any State-licensed private investigator, or any officer, employee, or agent of such private investigator, from obtaining customer information of a financial institution, to the extent reasonably necessary to collect child support from a person adjudged to have been delinquent in his or her obligations by a Federal or State court, and to the extent that such action by a State-licensed private investigator is not unlawful under any other Federal or State law or regulation, and has been authorized by an order or judgment of a court of competent jurisdiction.

SEC. 522. ADMINISTRATIVE ENFORCEMENT.

(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Compliance with this subtitle shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the title VIII, the Fair Debt Collection Practices Act, to enforce compliance with such title.

(b) NOTICE OF ACTIONS.—The Federal Trade Commission shall—

(1) notify the Securities and Exchange Commission whenever the Federal Trade Commission initiates an investigation with respect to a financial institution subject to regulation by the Securities and Exchange Commission;

(2) notify the Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such Federal banking agency; and

(3) notify the appropriate State insurance regulator whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such regulator.

SEC. 523. CRIMINAL PENALTY.

(a) IN GENERAL.—Whoever knowingly and intentionally violates, or knowingly and intentionally attempts to violate, section 521 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 521 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

SEC. 524. RELATION TO STATE LAWS.

(a) IN GENERAL.—This subtitle shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle as determined by the Commission, on its own motion or upon the petition of any interested party.

SEC. 525. AGENCY GUIDANCE.

In furtherance of the objectives of this subtitle, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission or self-regulatory organizations, as appropriate, shall review regulations and guidelines applicable to financial institutions under their respective jurisdictions and shall prescribe such revisions to such regulations and guidelines as may be necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and to deter and detect activities proscribed under section 521.

SEC. 526. REPORTS.

(a) REPORT TO THE CONGRESS.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Trade Commission, Federal banking agencies, the Securities and Exchange Commission, appropriate Federal law enforcement agencies, and appropriate State insurance regulators, shall submit to the Congress a report on the following:

(1) The efficacy and adequacy of the remedies provided in this subtitle in addressing attempts to obtain financial information by fraudulent means or by false pretenses.

(2) Any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(b) ANNUAL REPORT BY ADMINISTERING AGENCIES.—The Federal Trade Commission and the Attorney General shall submit to Congress an annual report on number and disposition of all enforcement actions taken pursuant to this subtitle.

SEC. 527. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) CUSTOMER.—The term ''customer'' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term ''customer information of a financial institution'' means any information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

(3) DOCUMENT.—The term ''document'' means any information in any form.

(4) FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''financial institution'' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term ''financial institution'' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any broker or dealer, any investment adviser or investment company, any insurance company, any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

(C) SECURITIES INSTITUTIONS.—For purposes of subparagraph (B)—

(i) the terms ''broker'' and ''dealer'' have the meanings provided in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(ii) the term ''investment adviser'' has the meaning provided in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)); and

(iii) the term ''investment company'' has the meaning provided in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3).

(D) FURTHER DEFINITION BY REGULATION.—The Federal Trade Commission, after consultation with Federal banking agencies and the Securities and Exchange Commission, may prescribe regulations clarifying or describing the types of institutions which shall be treated as financial institutions for purposes of this subtitle.

The CHAIRMAN. No amendment to that amendment shall be in order except those printed in House Report 106–214. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and

controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider Amendment No. 1 printed in House Report 106–214.

AMENDMENT NO. 1 OFFERED BY MR. BURR OF NORTH CAROLINA

Mr. BURR of North Carolina. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BURR of North Carolina:

Page 29, line 24, before the period insert '', except this paragraph shall not apply with respect to a company that owns a broadcasting station licensed under title III of the Communications Act of 1934 and the shares of which have been controlled by an insurance company since January 1, 1998''.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from North Carolina (Mr. BURR) and the gentleman from Michigan (Mr. DINGELL) each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. BURR).

Mr. BURR of North Carolina. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, let me say that this is a very narrow amendment for a unique situation. As a matter of fact, this amendment only applies to the Jefferson Pilot Insurance Corporation of Greensboro, North Carolina.

Their principal business is life insurance. But in the past 40 years they have been in the broadcast business as well under Raycom Sports, that great ACC delivery system. According to the Federal Reserve, Jefferson Pilot is the only insurance company in the United States in the broadcast business.

This amendment simply gives Jefferson Pilot the option of increasing their broadcast interest in order to maximize the value of their asset divestiture. They would still be required to stay under the 15-percent gross revenue limitation and to divest any non-bank and financial institution assets in the 10-year period if they were purchased by a bank.

The Federal Reserve and the Treasury have no objection to this amendment. I urge my colleagues on both sides of the aisle to support this very common sense amendment.

Madam Chairman, I reserve the balance of my time.

Madam Chairman, I ask unanimous consent to yield the entirety of my time to the gentleman from New York (Mr. LAFALCE) to dispense as he pleases.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LAFALCE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I oppose this amendment on two basic grounds. Number one, it is special-interest legislation. It should not be on the floor today.

Secondly, how can we give 10 minutes' time for special-interest legislation when we could not give 10 minutes' time for an insurance redlining amendment, when we could not give 10 minutes' time so that we could satisfy the desires of those would want a basic life-line banking, we could not give 10 minutes' time to those who wanted to add to the privacy protections that we have come to consensually in the Pryce-Oxley-Frost-Menendez-LaFalce amendment?

For those reasons, I oppose the bill.

Madam Chairman, I ask unanimous consent to yield the balance of my time for the purpose of control to the gentleman from Texas (Mr. BENTSEN).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENTSEN. Madam Chairman, I yield to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, I rise in support of the Burr-Myrick amendment.

It is true that this amendment will impact on the one company in the Nation, because this is a unique company. The company happens to be in the insurance business and it currently happens to be in the communications business.

The underlying bill restricts income from nonfinancial activities to 15 percent and limits ownership before divestiture to 10 years. All this company is asking to do is to go up to those limits by acquisition. They are not at those limits now.

There may be other companies that are grandfathered under this provision that are already at those limits. They are not asking to go beyond those limits. They are simply asking to be able to conduct their business within the confines of the limits of divestiture and time that are applicable to other companies.

I certainly think this is reasonable. We should not restrict companies from growing as long as they are not restricting commerce and unduly exposing financial activities to risks that are not foreseen. Obviously, the risks are foreseen by this bill because the 15-percent, 10-year limit continues to apply.

Mr. BURR of North Carolina. Madam Chairman, I yield to the gentlewoman from Charlotte, North Carolina (Mrs. MYRICK) a member of the Committee on Rules.

Mrs. MYRICK. Madam Chairman, I rise in support of the amendment of the gentleman from North Carolina (Mr. BURR).

I would just like to reiterate what the gentleman from North Carolina (Mr. BURR) has already said. This amendment does not harm the delicate compromises of this bill. Jefferson Pilot has been in the insurance business and the communications business for 40 years. The amendment is narrowly crafted, and it maintains the 15-percent gross revenue limitation on nonfinancial activities. They also are subjected to the 10-year divestiture requirement.

Madam Chairman, a vote for this amendment is a vote for ACC basketball.

Mr. BENTSEN. Madam Chairman, I reserve the balance of my time.

Mr. BURR of North Carolina. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, in most cases we would criticize on this House floor for a very specific tailored amendment for a specific company. But, as has been pointed out, this is a unique company because they are the only ones that will get caught in the catch-22 of what we created, which was an atmosphere in the Telecommunications Act of 1996 where we go through a different calculation as to how we value assets in the communications business today.

In fact, it has been official to have a pool of companies in a particular market to achieve the true asset value of a communications business. As this company agrees to divest themselves of the nonfinancial assets, I think that it is only fair to look at that 1996 Act, to look at what we are getting ready to do, and to say we will allow this company who is caught in the middle to, under their divestiture of this broadcast business, to at least achieve the asset value that it is worth.

Unfortunately, that means that we have to create this one amendment that says, during this 10-year period, we will allow them possibly to add a radio station in a market because it raises the value of the sale in that market to where it should be.

I do not think that it is out of line to allow companies, and specifically this one, who are affected by changes that we make to in fact be excluded from the specific language that we are here to do today.

I appreciate the concerns expressed by my dear friends on the other side. I hope that in the end they will support this, because I believe it is the right thing to do.

Mr. BENTSEN. Madam Chairman, I yield myself the remaining time.

Mr. BENTSEN. Madam Chairman, first of all, I do not have any problem with this particular company, and I do not have any problem with the ACC, and I do not have any problem with North Carolina. I think it is a great State. Not as great as the State of Texas, but I think it is a pretty good State. But the problem I have is that this is a specific carve-out that apparently affects one company in the United States.

Now, the bill that is before us sets some pretty strict rules for companies. And we had long debates in the Committee on Banking and Financial Services, and I am assuming the Committee on Commerce as well, on the issues of banking and commerce.

□ 1845

This bill also sets limits on a number of companies called unitary thrifts. There are about 75 of those who because of the way they are valued, their value is going to change because of this bill. We could not debate that on the floor because apparently we are not capable of doing that, but nonetheless, we made those decisions, and we made strict rules.

I am sorry that this company is affected by it, but they are just going to have to make a choice under the rules that are provided for in this bill of either being a broadcast company and insurance company or an insurance company and a banking company, but they want to have it all three ways, and they would be the only one in the United States that could do that. I do not think that is appropriate. That is not given to anybody else.

For that reason, I have to oppose the amendment. I would hope that our colleagues would oppose the amendment as well.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BURR).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BENTSEN. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentleman from North Carolina (Mr. BURR) will be postponed.

It is now in order to consider amendment No. 2 printed in House Report 106–214.

AMENDMENT NO. 2 OFFERED BY MS. SCHAKOWSKY

Ms. SCHAKOWSKY. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. SCHAKOWSKY:

Page 72, after line 13, insert the following new section (and amend the table of contents accordingly):

SEC. 110A. STUDY OF FINANCIAL MODERNIZATION'S EFFECT ON THE ACCESSIBILITY OF SMALL BUSINESS AND FARM LOANS.

(a) STUDY.—The Secretary of the Treasury, in consultation with the Federal banking agencies (as defined in Section 3(z) of the Federal Deposit Insurance Act), shall conduct a study of the extent to which credit is being provided to and for small business and farms, as a result of this Act.

(b) REPORT.—Before the end of the 5-year period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Federal banking agencies, shall submit a report to the Congress on the study conducted pursuant to subsection (a) and shall include such recommendations as the Secretary determines to be appropriate for administrative and legislative action.

The CHAIRMAN. Pursuant to House Resolution 235, the gentlewoman from Illinois (Ms. SCHAKOWSKY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Madam Chairman, I yield myself 2 minutes.

First of all, I would like to thank my cosponsors, the gentlewoman from California (Ms. LEE), the gentleman from Illinois (Mr. GUTIERREZ) and the gentleman from North Carolina (Mr. WATT) for their help on this amendment.

This amendment would call for a 5-year study of financial modernization's effect on small business and farm lending. What it does is direct the U.S. Treasury Department with Federal bank regulators to study the effect of this bill, and the consolidation of the financial services industry into large conglomerates that it will undoubtedly encourage, on small business and farm lending and suggest legislative and regulatory changes as necessary to aid small business and farm lending.

I think our first rule in this House ought to be, first we do no harm. I am not suggesting that this bill will do any harm to small businesses or farms, but we want to make sure that that is the case, because small business certainly does deserve our support. There are 23 million small businesses that employ 53 percent of the workforce and account for 47 percent of all sales. Sixty-seven percent of all small businesses get their credit from banks, and many of these are small banks. We know that smaller businesses often have more difficulty in obtaining loans from banks.

What we want to make sure is that the result of H.R. 10 is not that we see fewer loans going to small banks and to farmers. The data shows, as I said, that small businesses and farmers do rely on small banks for their financing and a world without small banks could negatively affect the businesses and our national economy.

Chairman Greenspan of the Federal Reserve acknowledged before the Committee on Banking and Financial Services during hearings on H.R. 10 that ''small bank lending is inherent in the way small business is effectively financed. If it turns out that a lot of community banks would sort of fade or be absorbed into large institutions, I would be concerned.''

What my amendment does is ensure that regulators and the public will have the necessary information to combat negative effects on small business from this legislation.

Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. LAFALCE), the ranking member of the Committee on Banking and Financial Services.

Mr. LAFALCE. Madam Chairman, I rise in support of the amendment of the gentlewoman from Illinois. It is a very good amendment. We must always be concerned about the effect of any legislation we pass on small business and on farm lending.

But I rise primarily to thank the gentlewoman for being such an outstanding freshman member of the House Committee on Banking and Financial Services. I know of no member who is a greater champion of the consumer and consumer interest, whether it has to do with redlining, whether it has to do with privacy, whether it has to do with housing. She has been a true champion and she is going to be a great leader in the future.

Ms. SCHAKOWSKY. Madam Chairman, I yield 30 seconds to the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Madam Chairman, I would like to echo the gentleman from New York's comments about the gentlewoman. She has brought a great contribution to the Committee on Banking and Financial Services. We are all very appreciative.

This particular amendment is common sense, it is reasonable, and the majority has no objection whatsoever.

Ms. SCHAKOWSKY. Madam Chairman, I yield 30 seconds to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Madam Chairman, I echo my colleagues' statements about the gentlewoman's efforts as a new Member of Congress. I especially think this is important to those of us that represent States that have a significant rural constituency.

Minnesota, incidentally, is sort of a small bank State. We have 555 banks. Many of them serve the rural constituents in that State. I would like to report to the House the dire problems that we are facing in the western, north and east portions of Minnesota with regards to the farm economy. It is a very stressful time and a time of great concern.

Clearly, the financial engine of these communities are these small town

banks that continue to extend credit and to provide the lifeblood that they need. A study of these as the gentlewoman has envisioned as well as for other small businesses which are having a very difficult time in our economy and that we really want to get behind and support with such bills as the PRIME bill and the community financial services programs that we support will be helpful.

I know the gentlewoman supports those efforts. I support this study. It would be good to have the information available so we can plot what the impact is and the profile of the market.

Ms. SCHAKOWSKY. Madam Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Madam Chairman, I thank the gentlewoman for yielding me this time. As a cosponsor of this amendment, I rise in support of the amendment.

One of the concerns that a number of people have had about all of this consolidation and the ability to merge and cross financial lines is the impact that it will have on lending, particularly for minority communities, for small businesses, for farms. That is why we have been so insistent on maintaining the CRA provisions, and that is why I think it is important for us to support this amendment, to make sure that if there is an adverse impact that results from this bill, we know about it immediately and can take whatever steps are appropriate and necessary to respond to it.

I want to applaud the gentlewoman for coming forward with this amendment and strongly encourage my colleagues to support it.

The CHAIRMAN pro tempore (Mrs. MYRICK). Is there any Member who is opposed to this amendment?

If there is no opposition, the question is on the amendment offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in House Report 106–214.

AMENDMENT NO. 3 OFFERED BY MS. VELÁZQUEZ

Ms. VELÁZQUEZ. Madam Chairman, I offer an amendment.

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

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. VELÁZQUEZ:

Page 96, line 12, strike ''operations of''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 235, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Madam Chairman, I yield myself such time as I may consume. I rise in support of this bipartisan amendment and urge its immediate adoption. This amendment would slightly modify section 114 to ensure that the banking policies established by Congress are implemented in a fair and consistent manner with respect to all entities, domestic and foreign, conducting a banking business in the United States. The passage of this amendment will enable all banks doing business in the United States to serve the needs of their customers.

The language in H.R. 10 grants the Federal Reserve Board authority regarding the overseas operations of a foreign bank. However, it is not clear what exactly the scope of this particular language means and the Federal Reserve has agreed to delete the words ''operations of'' to clarify that the provision expressly applies to the foreign bank itself and not the bank's parent or sister affiliates. This clarification ensures parity with U.S. law.

Foreign banks have a large and longstanding presence in New York and they are an important part of our economy in New York and throughout the country. For example, many foreign banks have broker-dealers subsidiaries that provide capital and liquidity to the U.S. securities markets, serving to enhance the ability of U.S. businesses to raise capital.

This bipartisan amendment has been cleared by the Federal Reserve Board, is supported by the Conference of State Bank Supervisors, and similar language is included in the version of financial modernization passed by the other body.

I urge my colleagues to adopt this amendment.

Mr. LEACH. Madam Chairman, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Iowa.

Mr. LEACH. We have carefully reviewed this amendment with the Federal Reserve Board of the United States. It is my understanding that they have no objection to the amendment, that it is a very thoughtful and reasonable approach to dealing with a particular problem. Therefore, we have great respect for the gentlewoman's effort and support her amendment.

Ms. VELAZQUEZ. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Is there any Member who is opposed to this amendment?

If not, the question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 4 printed in House Report 106–214.

AMENDMENT NO. 4 OFFERED BY MR. BARR OF GEORGIA

Mr. BARR of Georgia. Madam Chairman, I offer an amendment.

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

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. BARR of Georgia:

Page 235, after line 23, insert the following new subsections:

(c) PREVENTION OF FUTURE PRIVACY INVASIONS.—

(1) IN GENERAL.—Section 5318(g) of title 31, United States Code, is amended—

(A) by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—Any financial institution, and any director, officer, employee, or agent of any financial institution, may report to the Secretary any transaction relevant to a possible violation of a law or regulation.'';

(B) in paragraph (2), by striking ''suspicious'';

(C) in paragraph (4)(A)—

(i) by striking ''requiring'' and inserting ''receiving''; and

(ii) by striking ''suspicious transaction'' and inserting ''transaction relevant to a possible violation of a law or regulation'';

(D) in paragraph (4)(B), by striking ''suspicious transaction'' and inserting ''transaction relevant to a possible violation of a law or regulation''; and

(E) by adding at the end of paragraph (4) the following new subparagraph:

''(D) RECORDKEEPING.—The Secretary shall ensure that no report filed under this paragraph is maintained by the Secretary or any Federal or State law enforcement or supervisory agency to whom access to the report (or information therein) has been granted after the earlier of—

''(i) the end of the 4-year period beginning on the date the report was received; or

''(ii) 60 days after the expiration of the longest statute of limitations relating to any possible violation of a law or regulation identified in such report,

unless the report or information contained in the report is being used in an on-going investigation of a possible violation of a law or regulation identified in such report.''.

(2) CLARIFICATION OF PURPOSES OF ANTI-MONEY LAUNDERING PROGRAM.—Section 5318(h) of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(3) LIMITATION.—Notwithstanding paragraphs (1) and (2), the Secretary may not require or encourage an insured depository institution or any affiliate of an insured depository institution to—

''(A) determine the sources of funds used by any customer of the institution or affiliate in any transaction;

''(B) assess the purpose of any transaction or seek from the customer an explanation for the transaction;

''(C) determine what transactions are normal or expected for a customer;

''(D) monitor customer body language or behavior;

''(E) monitor customer transactions and compare them to historical patterns; or

''(F) report to the Secretary transactions that do not conform to a customer's historical transaction patterns.

(3) CLERICAL AMENDMENTS.—

(A) The subsection heading for section 5318(g) is amended to read as follows:

''(g) REPORTING POSSIBLE VIOLATIONS OF LAWS AND REGULATIONS.—''.

(B) The paragraph heading for section 5318(g)(4) of title 31, United States Code, is amended to read as follows:

''(4) SINGLE DESIGNEE FOR REPORTING TRANSACTIONS RELEVANT TO A POSSIBLE VIOLATION OF LAW OR REGULATION.—''.

(d) INCREASE IN TRIGGER AMOUNT FOR CASH TRANSACTION REPORTS.—

(1) DOMESTIC.—Section 5313(a) of title 31, United States Code, is amended by adding at the end the following new sentence: ''In no event may the Secretary require reports under this section for transactions involving less than $25,000.''.

(2) IMPORTING AND EXPORTING.—Section 5316(a) is amended by striking ''$10,000'' each place such term appears and inserting ''$25,000''.

(e) AGENCY REPORTS ON RECONCILING PENALTY AMOUNTS.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) shall submit reports to the Congress containing proposed legislation to conform the penalties imposed on depository institutions (as defined in section 3 of the Federal Deposit Insurance Act) for violations of subchapter II of chapter 53 of title 31, United States Code, to the penalties imposed on such institutions under section 8 of the Federal Deposit Insurance Act.

The CHAIRMAN pro tempore. Pursuant to House Resolution 235, the gentleman from Georgia (Mr. BARR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Madam Chairman, I yield myself 1½ minutes.

Earlier this year, as a matter of fact late last year, the American people were treated to one of the most gross examples of overreaching by the Federal Government, by Federal regulators, that they had ever witnessed, the so-called ''know your customer'' regulations that were proposed by the FDIC. These proposed regulations would have required every financial institution in the country to develop a profile on every one of their customers all over the country and to determine what the financial transaction habits of each individual customer were so that if there was something that occurred out of the ordinary, outside of that profile, the law enforcement authorities would be notified. Thankfully, the American people, through the work of this Congress, stopped the ''know your customer'' regulations dead in their tracks.

Well, they are back. Under the guise of the Bank Secrecy Act, which has some very laudable, important provisions in it, the suspicious activity reports require, in essence, ''know your customer'' regulations mandated on the banks.

The amendment proposed by the gentleman from California, the gentleman from Texas and myself today simply removes the mandatory nature of the suspicious activity reports which in essence are ''know your customer'' regulations. We do not remove the important tool that law enforcement has in working with financial institutions to disclose to the government suspicious activity. We simply tell the government that the millions upon millions of reports that they have accumulated by requirement over the years and have never used and which are rarely used shall no longer be required.

□ 1900

Madam Chairman, I reserve the balance of my time.

Mr. LAFALCE. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia (Mr. BARR).

Mr. HUTCHINSON. Madam Chairman, I rise in opposition as well. Is there any provision to split the time?

The CHAIRMAN. By unanimous consent each gentleman could split the time if so desired.

Mr. LAFALCE. Madam Chairman, I yield 2½ of my 5 minutes to either the gentleman from Iowa (Mr. LEACH) or his designee.

Mr. LEACH. Madam Chairman, I would be happy to yield that time to my distinguished colleague from Arkansas (Mr. HUTCHINSON).

The CHAIRMAN. Without objection, the gentleman from Arkansas (Mr. HUTCHINSON) will control 2½ minutes.

There was no objection.

Mr. LAFALCE. Madam Chairman, I yield myself such time as I may consume.

Let me say that a number of Republicans are going to be recognized by me:

The gentleman from Iowa (Mr. LEACH), the gentleman from Florida (Mr. MCCOLLUM), the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from Alabama (Mr. BACHUS).

I will only have 30 seconds for myself and no more than 30 seconds for anyone else.

I oppose this amendment strongly. It goes way beyond the repeal of Know Your Customer. It basically would repeal provisions of the Bank Secrecy Act that have been in existence for decades. The FBI strongly opposes this, says it cannot enforce the law, Treasury and Justice strongly oppose it. Based upon my conversation with the administration I think they would be constrained to veto a bill that did not repeal these strong law enforcement provisions.

I strongly urge the defeat of this amendment.

Madam Chairman, I reserve the balance of my time.

Mr. HUTCHINSON. Madam Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. MCCOLLUM) who has been such a leader on this issue.

Mr. MCCOLLUM. Madam Chairman, I thank the gentleman for yielding this time to me. I just want to say with all due respect to my colleagues who are promoting this amendment this is far beyond a Know Your Customer amendment. I am opposed to that too, just like everybody, I suspect, here is. That was a horrible idea the Treasury had, and I am very glad to see that it has disappeared.

But what we are doing in this amendment, if it is passed, it actually guts existing money laundering laws. It would set the drug war back by some estimates that I suspect is true, maybe 20 years. What it really would do would be to allow drug kingpins to launder money undetected. The current laws say that one has to have a currency transaction report if they go to the bank and take cash of $10,000 or more and deposit it in order for us to have the notice that we need to have of that transaction so that law enforcement can get ahold of these drug kingpins and can have a chain and prove the evidence.

What the gentleman from Georgia (Mr. BARR) and the gentleman from Texas (Mr. PAUL) are offering here would increase that amount to $25,000. There are lots of what we call smurfing transactions for far less than $25,000, and, in addition, the most visceral thing in here, this amendment would actually eliminate the requirement that banks report suspected illegal activity, eliminate the requirement. It is all volunteer in the parts of the bank. The Treasury Department could no longer in their law enforcement hat or in their regulatory hat require banks to report suspected illegal activity of any sort, not just money laundering, but any sort.

I think that the gentleman from Georgia (Mr. BARR) and the gentleman from Texas (Mr. PAUL) and the gentleman from California (Mr. CAMPBELL) have gone further than they may have intended. This is no time to retreat on the effort on the war against drugs or the financial fraud and the money laundering, and that is what this amendment does.

So in the strongest terms I urge this amendment to be defeated.

Mr. BARR of Georgia. Madam Chairman, I yield 1 minute to the distinguished gentleman from Texas (Mr. PAUL).

Mr. PAUL. Madam Chairman, I thank the gentleman from Georgia (Mr. BARR) for yielding this time to me.

Madam Chairman, if my colleagues are opposed to Know Your Customer regulations they must support this amendment because this does away with Know Your Customer regulations, the profiling of every single customer in this country. This notion that it is going to ruin law enforcement is just not valid. There is estimated $100 million cost for one conviction by the reports that are sent in, and this does not prohibit the banks from sending in reports. If there is a suspicious character, they can still do this.

So it will not hinder law enforcement.

What it does, Madam Chairman: It protects the consumer, it protects the citizen, it protects the right of all Americans. We cannot rationalize and justify the abuse of liberty for the pretense that on occasion we might catch a criminal. But the fact that it could cost $100 million per conviction is sort of what I would call overkill.

What we must do is protect the American citizen. Law enforcement will not be hindered. If my colleagues are opposed to Know Your Customer regulation, they must vote for this amendment.

Mr. LAFALCE. Madam Chairman, I yield 30 seconds to the gentleman from Michigan (Mr. DINGELL), the distinguished past and future chairman of the Committee on Commerce.

Mr. DINGELL. Madam Chairman, I thank my good friend and colleague for yielding me this time.

Madam Chairman, I know the authors of this amendment are Members of great decency and goodness, and I think they are accomplishing something that they really do not want. This is opposed by the Department of Justice, the FBI, the Department of Treasury.

Banks have been involved in money laundering, too, I would remind my colleagues, and when we make the action of the bank voluntary with regard to reporting, we subject ourselves to a real probability that the banks are simply not going to report. The money launderers, the Cali Cartel, the drug merchants and the Mafia will love this amendment.

If my colleagues like that, if they want crime, this is a good amendment to support; if my colleagues want to clean up the situation, I would urge them to oppose the amendment.

Mr. HUTCHINSON. Madam Chairman, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Madam Chairman, I rise in strong opposition to this position, and it is an open invitation to drug dealers, and that is why, as has been stated, every law enforcement and every banking group is opposed to it.

I rise in strong opposition.

This amendment guts our money laundering laws and helps drug dealers. I oppose strongly. What we have learned through hearings is that we need to tighten up, not loosen.

1. Making suspicious activity reports voluntary plays into the hands of the drug dealers. This will only make money laundering easier.

2. Raising the cash transaction reporting level to $25,000 from $10,000 is not justified. How many legitimate cash transactions are there over $10,000?

3. Purging Suspicious Activities Report (SAR) records after 4 years would undermine crime fighting efforts.

Money laundering involves complex financial transactions. Law enforcement sometimes needs several years to put together cases. This will hurt.

The Banking agencies oppose Barr/Campbell.

Law enforcement uniformly opposes Barr/Campbell.

N.J. Governor Whitman opposes Barr/Campbell.

The ABA Fraud Prevention Oversight Council opposes Barr/Campbell.

Mr. HUTCHINSON. Madam Chairman, I yield 30 seconds to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Madam Chairman, I like to quote from the President of the Organization of Police Chiefs of the United States. He says this amendment will have a significant detrimental impact on the ability of law enforcement agencies nationwide to effectively investigate and prosecute cases involving money laundering, fraud, and other financial crimes. If this amendment had been in effect in 1997, it would have stopped 2,536 Federal investigations resulting in convictions for financial institution fraud matters.

And finally, what does the FBI say about this? A vote for this amendment will send a signal to criminal organizations worldwide that the U.S. is a money laundering haven.

Clearly this is a no vote.

Madam Chairman, I include for the RECORD the following letter:

INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE,
Alexandria, VA, July 1, 1999.

Hon. DENNIS HASTERT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On behalf of the International Association of Chiefs of Police (IACP), I am writing to express our profound concern over the Barr/Paul/Campbell Amendment to H.R. 10, the Financial Services Act. This amendment will have a significant detrimental impact on the ability of law enforcement agencies to effectively investigate and prosecute cases involving money laundering, fraud and other financial crimes. I urge you to oppose this amendment.

The Barr/Paul/Campbell amendment, by eliminating the requirement that financial institutions file Suspicious Activity Reports (SARs), will deprive law enforcement of an invaluable investigative tool which, according to the FBI, was used in 98% of the cases filed by its Fraud Investigation Squad in 1998. These 1998 investigations resulted in the convictions of more than 2600 individuals and the restoration of more than $490 million to the victims of fraud.

In addition, by elevating the threshold limit of the Currency Transaction Report (CTR) from $10,000 to $25,000, the Barr/Paul/Campbell amendment would severely undermine the anti-drug efforts of law enforcement agencies. Since there are few legitimate cash transactions exceeding the $10,000 limit, the CTR often provides law enforcement with valuable information on the money laundering operations of drug dealers. Raising the CTR threshold to $25,000 will only assist criminals in their efforts to hide their illegal profits.

Once again, I urge you to protect the ability of law enforcement to combat fraud, money laundering and financial crimes by opposing the Barr/Paul/Campbell amendment to H.R. 10.

Thank you for your attention in this matter.

Sincerely,

RONALD S. NEUBAUER,
President.

Mr. BARR of Georgia. Madam Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Madam Chairman, the cost to every bank that has to comply is huge, but the cost of individual liberty is much more important. What business does the Federal Government have ordering a bank to tell them about my bank account?

What we are dealing with today is a function of invasion of individual liberty in the guise of law enforcement. This argument that we will lose so many prosecutions is absurd. The number of $25,000 does not even adjust for inflation from the original $10,000 established in 1970. So when we hear these arguments that we will suddenly be a haven for money laundering, recognize that we are not even adjusting for inflation from the $10,000 requirement established in 1970 to a $25,000 requirement today. It ought to be $40,000 if we adjusted for inflation.

But let us say that just for a moment there may be one prosecution that does not happen, but in return, in return, we do not have the Federal Government ordering banks to profile me, to find out what my activities are when I depart from normal activity, to define what is normal activity, to condemn me if I do not behave in a normal manner. For that price of freedom I think we are sacrificing very, very little, if anything, on law enforcement.

I conclude by saying if we were to repeal the Fourth Amendment, if we were to repeal the Fifth Amendment, we could improve law enforcement, but it would not be worth it.

Mr. LAFALCE. Madam Chairman, I yield 30 seconds to the distinguished gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Madam Chairman, I rise in strong opposition to this amendment. This is really a privacy gone crazy. It would gut the Bank Secrecy Act and the provisions dealing with the suspicious activities reports as well as the cash transaction reports. It is under the guise of privacy, a 30-year law that has been effective in terms of protecting and help us deal with the emerging types of networks of crime that exist in our society. Just raising the cash transaction itself, we should subject this to deliberate hearings and considerations, and I do not think that we should shove it out under the basis of the unpopularity of Know Your Customer, which, in fact, this bill has stopped in its tracks.

Mr. HUTCHINSON. Madam Chairman, I yield 30 seconds to the distinguished chairman from Iowa (Mr. LEACH).

Mr. LEACH. Madam Chairman, first let me just stress section 191 of this bill repeals the Know Your Customer regulation. Secondly, the committee would be happy to deal with further modifications in this area. But thirdly, it has to be understood by everybody here that money laundering is the Achilles heel of drug traffickers, and many are able to separate themselves from their illegal activities, but they cannot from their money, and just like Al Capone was convicted for tax evasion, drug traffickers today are convicted more than anything else of money laundering. To throw this out would be an absolute assault on law enforcement. We must not allow it to happen.

Madam Chairman, I yield to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Madam Chairman, I rise in opposition to the amendment. It is antilaw enforcement, and I plan to vote no on the amendment.

Mr. BARR of Georgia. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, just a little over a week ago we heard that the sky was going to fall if asset forfeiture laws of this country were brought in line with normal standards of fairness, due process and other constitutional safeguards. Today we hear that the sky will fall if we simply require law enforcement to do its job and not mandate that banks do its job for them.

The fact that there have been tens of millions of suspicious activity reports filed and virtually no prosecutions initiated based on those suspicious activity reports clearly illustrates that what we are hearing today is hyperbole based on the unwillingness of law enforcement to make any changes whatsoever in the way they are accustomed to operating.

If my colleagues are opposed to Know Your Customer, then they must be opposed to these provisions of the suspicious activity report requirement which does not gut the Bank Secrecy Act. This amendment addresses just one small portion of the Bank Secrecy Act. It is simply one of a number of tools that are provided for law enforcement under the Bank Secrecy Act. It is not an essential tool. It takes nothing away from law enforcement that it might otherwise get through legitimate law enforcement means. All, virtually all, money laundering cases of any significance are prosecuted, investigated and convictions obtained thereon not based on mandated secrecy reports, but on other provisions of the Bank Secrecy Act and other provisions of the money laundering statutes.

To say that law enforcement will be gutted by this amendment is a red herring. If colleagues oppose Know Your Customer, then they must support the Barr-Paul-Campbell amendment.

Mr. LAFALCE. Madam Chairman, I yield 30 seconds to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Madam Chairman, what a contradiction for so-called law and order Members of this House to be advocating this amendment. The Paul-Barr-Campbell amendment should be entitled: The Drug Dealers' Improvement Act of 1999 because the amendment will increase the ability of drug dealers to launder drug profits.

There are few legitimate cash transactions in excess of $10,000. It is unusual to have someone walking around with $25,000 of cash in their wallet or their purse. Therefore, it is inappropriate to raise the reporting requirement to $25,000. It indeed guts the Bank Secrecy Act.

I would ask every Member of this House to say no to the dope dealers and those that would support their ability to launder money.

Mr. LAFALCE. Madam Chairman, I yield myself such time as I may consume.

Again I strongly oppose this, but I want to point out to those who have not spoken that we have had individuals from the Republican party and the Democratic party strongly oppose this from the right, from the left, the gentleman from Arkansas (Mr. HUTCHINSON), the gentleman from Florida (Mr. MCCOLLUM), the gentleman from Alabama (Mr. BACHUS), the gentleman from Iowa (Mr. LEACH), the gentlewoman from New Jersey (Mrs. ROUKEMA). On the Democratic side, my colleagues heard from the gentlewoman from California (Ms. WATERS), the gentleman from Minnesota (Mr. VENTO), the gentleman from Michigan (Mr. DINGELL). The administration believes that this would shred their ability to enforce antimoney laundering and bank secrecy provisions.

□ 1915

I strongly urge everyone to defeat this amendment. I am sorry that it was permitted. We could have used this 10 minutes to discuss something like redlining, something that would have brought about bipartisan support.

Mrs. MALONEY of New York. Madam Chairman, I am certainly sympathetic to the privacy concerns being raised during this debate. And I voted for the amendment during the Banking Committee mark-up of H.R. 10 which eliminated the newly proposed "Know Your Customer" rules.

This amendment, however, will seriously curtail the efforts of law enforcement in curbing fraud and stopping drug traffickers.

The Bank Secrecy Act requires certain forms . . . the Suspicious Activities Report and the Currency Transactions Report to be filed when certain triggers are met. This amendment would make this system voluntary . . . not basing these reports on any of the triggers which may be hit, and probably resulting in banks becoming the favored launderers of fraudulent funds and drug money.

Yet these reports have been crucial to uncovering all sorts of fraud and drug rings. In New York City last year, the FBI's office received a Suspicious Activity Report which indicated that a former vice president of a large bank had embezzled funds. The investigation discovered that the embezzlement reached $20 million.

Another New York City case in July 1997 used these reports to uncover a fraudulent loan scheme worth $20 million in losses to area banks. These cases most likely would not have been discovered without the triggers in the Bank Secrecy Act.

Join with the Justice Department, the Treasury Department and the Customs Service in helping law enforcement fight fraud and the drug trade.

This amendment is anti-law enforcement.

Oppose this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BARR).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BARR of Georgia. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentleman from Georgia (Mr. BARR) will be postponed.

The CHAIRMAN. The Committee will rise informally.

The Speaker pro tempore (Mr. LEWIS of Kentucky) assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 775) ''An Act to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.''.

The message also announced that the Senate has passed a concurrent resolution of the following title in which concurrence of the House is requested:

S. Con. Res. 43. Concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

The SPEAKER pro tempore. The Committee will resume its sitting.

FINANCIAL SERVICES ACT OF 1999

The Committee resumed its sitting.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 106–214.

AMENDMENT NO. 5 OFFERED BY MR. FOLEY

Mr. FOLEY. Madam Chairman, I offer amendment No. 5.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FOLEY:

Page 244, after line 18, insert the following new section (and amend the table of contents accordingly):

SEC. 198A. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.

Section 5(a)(7) of the International Banking Act of 1978 (12 U.S.C. 3103(a)(7)), is amended to read as follows:

''(7) ADDITIONAL AUTHORITY FOR INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS, UPGRADES OF CERTAIN FOREIGN BANK AGENCIES AND BRANCHES.—Notwithstanding paragraphs (1) and (2), a foreign bank may—

''(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank's home State if—

''(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established, and

''(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.), or

''(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subparagraph (A)(ii), located in a State outside the foreign bank's home State, into a Federal or State branch if—

''(i) the establishment and operation of such branch is permitted by such State; and

''(ii) such agency or branch—

''(I) was in operation in such State on the day before September 29, 1994; or

''(II) has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under section 44(a)(5) of the Federal Deposit Insurance Act.''.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from Florida (Mr. FOLEY) and a Member opposed each will control 5 minutes.

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

Mr. FOLEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the amendment I am offering today is a States' rights issue. It is noncontroversial, we hope, an amendment that will fix an anomaly in Federal interstate banking laws. It will also help the flow of trade from the U.S. to countries all over the world.

This amendment would allow foreign banks currently operating in the United States to expand their operations as was intended by the Riegle-Neal Banking and Branching Act by allowing agencies to upgrade to branches.

In 1994, when the Riegle-Neal Interstate Banking and Branching bill was passed. Congress sought to allow foreign banks to open additional branches just like domestic banks. This amendment would conform with the intent of the original act.

Unfortunately, not one foreign bank has been able to open additional branches under the Riegle-Neal Federal law provision. While the intention of the act was to allow expansion of foreign banks, the provision in current law has proved to be unworkable.

This amendment would allow foreign bank agencies to upgrade to a branch with the approval of the appropriate chartering agency, the OCC or the State bank supervisor, and the Federal Reserve Board.

In order to accomplish this upgrade, the agency would have to meet the State's minimum age requirement for entry, just like domestic banks. In addition, the agency must meet the requirements for consolidated home country supervision.

This change in Federal law that I am proposing today is a States' rights amendment. If passed, it would remove a Federal limitation that interferes with State law.

The amendment is supported by the Florida Banking Department, the New York Banking Department, the Texas Banking Department and the California Banking Department, as well as the Florida International Bankers Association and Conference of State Bank Supervisors. This amendment has been fully vetted with the Federal Reserve Board, and they have indicated that they have no objection to it.

Madam Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Madam Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Massachusetts (Mr. FRANK) is recognized for 5 minutes.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I should note that under the rules someone is entitled to 5 minutes in opposition. I would describe myself for these purposes as leaning against but open to persuasion, I would reassure my friend, the gentleman from Florida (Mr. FOLEY). I am not firmly committed on the subject.

I was interested in what the gentleman said and will listen some more, but I also wanted to use this occasion to address the general bill, Madam Chairman. It is a somewhat constricted debate situation.

What I wanted to do was to explain why I would be voting against this bill, although I think on the subjects that it deals with it does a good job. That is, I think this is a bill which suffers from incompleteness.

I think with regard to the regulation of the financial services industry, this is as good a product as we can expect from a broad representative body. I think the Committee on Banking and Financial Services on both sides worked seriously and well under the leadership of the chairman and the ranking member.

The problem is, in my mind, it carries out a pattern that is too much present in America today and that I think threatens great harm even as it makes some specific progress, and that is a pattern in which we do a good job of fostering conditions in which the capitalist system can flourish. It is in our interest that the capitalist system flourish.

Capitalism clearly has established itself as the superior way for a society to generate wealth, and the generation of wealth is very important. It is important in and of itself because it provides resources for individuals to enjoy themselves, and it is important as a way to provide the resources which help us deal with other problems.

On the other hand, we have learned that capitalism, as great an engine as it is in generating wealth, can have some downsides. In particular, the era of capitalism in which we now are, a kind of globally competitive world, is one where increased wealth is unfortunately accompanied by increased inequality in many cases and by an undermining of society's capacity to deal with some of the social problems that the market does not take care of.

This bill should have been an opportunity to deal with both aspects of that. It is a good piece of legislation for setting forth the conditions for the financial services industry, central to capitalism. It is a good situation in which the intermediation function of the financial services industry can go forward.

We understand that, in and of itself, that is going to leave us some problems. In particular, I regret terribly the refusal of the majority to let us deal seriously with the amendment offered by the gentlewoman from California, which would have tried to deal with those geographic areas that are left behind.

I do not think we adequately deal with privacy. In fact, in some ways we may be making it worse. That is, unfortunately, a kind of paradigm we are following too frequently. We go forward and we provide the conditions and improve the conditions for wealth to be generated, and I am for that. I would vote for this bill if we were talking simply about these conditions and no other were relevant, but to do that while at the same time we refuse to address the serious problems of poverty in inner cities, and obviously this is not a bill in and of itself to alleviate poverty, but it does seem reasonable to me to say to the large financial institutions they are getting a pretty good set of conditions here. We are responding to their needs. Can they not make a little extra effort in the course of this to help the people who are being left behind? Can they not help the consumers?

I understand if we leave it entirely to the market they would not want to do

that. That is why we ought to be coupling market-enhancing legislation like this with some reasonable conditions that say they are going to make more money out of this, and that is a good thing because that is how our society will prosper. But can they not take a little bit of the extra money that they are making out of this and worry about the poor, worry about geographically underserved areas, worry about consumer protection? Can they not do a little more on privacy? Can they not maybe restrict a little bit the extra money they are going to make so people's legitimate privacy concerns can be addressed?

That is the tragedy of this bill. It is a good bill in what it does, but it is a bad bill in what it does not do.

While in other circumstances I might have felt, well, that is the best we can do, it has unfortunately become too common in our society.

I will say I am affected on this by what is going on in my own State where two of the largest banks are merging and are not, in my judgment, willing to do enough to share the benefits of their merger with people who are not doing so well.

So I congratulate the work that the leaders of the Committee on Banking and Financial Services and others have done on the banking provisions that deal specifically with the financial services, but I will not be part of a conditioned pattern of helping people make more money and not worry about those who might be left behind in that very process.

With that, I would reassure again my friend, the gentleman from Florida (Mr. FOLEY), that I am open to persuasion

Madam Chairman, I reserve the balance of my time.

Mr. FOLEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I believe I have just been given a reprieve from the gentleman from Massachusetts (Mr. FRANK). I did not hear an objection to my amendment. I feel it is a very good amendment.

Mr. LEACH. Madam Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. LEACH. Madam Chairman, let me say, in hopes that the gentleman from Massachusetts (Mr. FRANK) can still be persuaded to this amendment, I would inform the gentleman that the Federal Reserve has no objection to it.

Mr. FRANK of Massachusetts. Madam Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. When the gentleman tells me the Federal Reserve has no objection, is he trying to get me to be for it or against?

Mr. LEACH. Madam Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Iowa.

Mr. LEACH. Madam Chairman, fair enough.

In addition, the New York Banking Department, the Texas Banking Department, the California Banking Department and the Conference of State Bank Supervisors are leaning in this direction. So I believe it is a very thoughtful, very professional amendment, and I certainly want to compliment the gentleman for bringing it forth, and I am just hopeful for getting unanimity.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, let me say that I have been persuaded, and I will support this amendment. When the gentleman mentioned the Texas Banking Department, my colleague from Texas urged me on.

I will say, as we improve this bill and its specific impact on the financial services industry, I regret even more our collective unwillingness to do more than we are doing and to do, in fact, what we could easily do to help those who are being left behind. It is an inappropriate continuation of a pattern of helping the wealthy and the powerful, and we all benefit to some extent from that, but ignoring the other end of the society.

Mr. FOLEY. Madam Chairman, I move adoption of the amendment and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FOLEY).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 106–214.

AMENDMENT NO. 6 OFFERED BY MS. SLAUGHTER.

Ms. SLAUGHTER. Madam Chairman, I offer amendment No. 6.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Ms. Slaughter:

Page 244, after line 18, insert the following new section:

SEC. 198A. FAIR TREATMENT OF WOMEN BY FINANCIAL ADVISERS.

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

(1) Women's stature in society has risen considerably, as they are now able to vote, own property, and pursue independent careers, and are granted equal protection under the law.

(2) Women are at least as fiscally responsible as men, and more than half of all women have sole responsibility for balancing the family checkbook and paying the bills.

(3) Estate planners, trust officers, investment advisers, and other financial planners and advisers still encourage the unjust and outdated practice of leaving assets in trust for the category of wives and daughters, along with senile parents, minors, and mentally incompetent children.

(4) Estate planners, trust officers, investment advisers, and other financial planners and advisers still use sales themes and tactics detrimental to women by stereotyping women as uncomfortable handling money and needing protection from their own possible errors of judgment and ''fortune hunters''.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that estate planners, trust officers, investment advisers, and other financial planners and advisers should—

(1) eliminate examples in their training materials which portray women as incapable and foolish; and

(2) develop fairer and more balanced presentations that eliminate outmoded and stereotypical examples which lead clients to take actions that are financially detrimental to their wives and daughters.

The CHAIRMAN. Pursuant to House Resolution 235, the gentlewoman from New York (Ms. SLAUGHTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York (Ms. SLAUGHTER).

Ms. SLAUGHTER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I am offering this noncontroversial amendment to express the sense of Congress that financial advisors should treat women fairly in drafting wills and trusts. Specifically, financial planners should be urged to modify their training materials to eliminate examples that portray women as incapable and foolish and should develop fairer and more balanced presentations to clients that eliminate outmoded and stereotypical examples. These stereotypical examples lead clients to place more financial restrictions on female heirs.

In the past year, I have learned that estate planners and financial advisors still encourage the unjust practice of leaving assets in trust for senile parents, minors, mentally incompetent children and all wives and daughters.

Women were ostensibly included to protect them from the perceived inability to manage money. However, in researching this issue, I found the real reason to include wives and daughters in this list has little to do with protection. The financial advisors are simply selling a product.

By adding women to this list, financial advisors have substantially increased their sales base, which, of course, increases their own income and bottom line.

Financial planners sell a trust on several arguments. First, they try to sell a trust based on protection; in other words, the inexperience of the woman. Or they try to sell a trust based on tax advantages which do not seem to be as important for sons.

A sure sales pitch is suggesting to a husband that in the event of his wife's remarriage a trust would prevent some

other man from enjoying his hard-earned assets. These things which have worked so well in the past are alive and healthy today and always to the detriment of women.

As I found out, this is not just a relic from the 1950s. An article in a monthly publication from August, 1998, includes an example of how clients should protect their financially irresponsible daughter and her equally financially irresponsible spouse without disinheriting them.

□ 1930

The article's author, a financial planner, advises the clients to devise a trust for the daughter to prevent creditors from accessing the principal. The financial planners sell the trust by saying it will serve as a deterrent to keep the daughter's inheritance out of the spendthrift son-in-law's hands. No such restrictions are proposed for any son who might have a spendthrift wife.

A specific example from the financial planner further illustrates my point on the selling tactics currently used.

The financial planners publication said, ''Mr. Smith loves his wife, but he does not love the way she handles money. He knows she is a big spender, and he realizes that he never had the time or patience to teach her how to deal with financial matters . . . Mr. Smith wants a wall built around the assets he leaves behind. The wall is designed to protect Mrs. Smith from herself. It is a wall that will keep con men and well-intended amateur financial advisers out, and if Mrs. Smith remarries, her new husband cannot touch the money in the trust, nor will he get any should he outlive her, unless she puts instructions to that effect in her will.''

These unfair practices were brought to my attention by a woman from Florida who was herself negatively affected by these practices. Her mother's will directed that her estate be directed into five equal parts for her children, then set up an individual trust for each of her daughters, and directed that her sons be given their money outright.

At the time the will was drawn up, she was 28 years old and her sisters were in their twenties. Her brothers, who were deemed apparently capable of handling their inheritance outright, were 21 and 14.

The trust set out for Kappie Spencer and her sisters for their ''protection'' provided for them to receive the annual interest on the assets. Her mother's will contained provisions for withdrawing the principal only for the health, support, and proper care of her daughters and their children, and they could only touch the principal for these very limited reasons if they had exhausted every other source of income available to them.

Surely we would all agree that these restrictions are deeply unfair and condescending to all women.

This amendment is an important step forward to ensure a woman's financial well-being. Because women live longer than men, they need to support themselves longer, but they also earn less than men, wait longer to start saving for retirement, put aside less money, and take fewer of the risks that produce greater returns.

Husbands, however well-intentioned, then aggravate the situation by trying to shield their wives from any decisions regarding money by setting up a trust arrangement, giving a banker, a lawyer, or an accountant control of the purse strings. This may be good business for the financial planner, but it is offensive to keep the spouse in the dark about finances.

With more women handling the checkbook and finances in their families, these outdated selling tactics by financial planners have to be exposed for the patronizing practices which they clearly are. While we cannot mandate society's attitudes, we should encourage a rethinking of these financial practices.

I ask my friends on both sides of the aisle to support this amendment, and I thank the gentleman for accepting this amendment.

Mr. LEACH. Madam Chairman, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from Iowa.

Mr. LEACH. Madam Chairman, we are very happy to accept this amendment. I would say it is brought to the Congress in a very thoughtful way by one of the most respected members of this body. I think that reflects on the amendment itself.

Ms. SLAUGHTER. I thank the chairman very much.

Mr. VENTO. Madam Chairman, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from Minnesota.

Mr. VENTO. Madam Chairman, I would say that I certainly rise in support, and in the absence the gentleman from New York (Mr. LAFALCE), we are pleased to receive the gentlewoman's amendment.

Ms. SLAUGHTER. I thank the gentlemen very much.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from New York (Ms. SLAUGHTER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 106–214.

AMENDMENT NO. 7 OFFERED BY MR. COOK

Mr. COOK. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. COOK:

Page 311, strike line 4 and all that follows through page 312, line 16 and insert the following new section (and amend the table of contents accordingly):

SEC. 241. STUDY OF LIMITING THROUGH REGULATION FEES ASSOCIATED WITH PROVIDING FINANCIAL PRODUCTS.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress regarding the consequences of limiting, through regulation, commissions, fees, or other costs incurred by customers in the acquisition of financial products.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from Utah (Mr. COOK) and a Member opposed each will control 5 minutes.

Madam Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) will be recognized for 5 minutes.

The Chair recognizes the gentleman from Utah (Mr. COOK).

Mr. COOK. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I want to thank the Committee on Rules for allowing me to offer this amendment, which would replace the existing section 241 with a provision requiring the General Accounting Office to study the consequences of limiting, through regulation, commissions, fees, or other costs incurred by customers in the acquisition of financial products.

Through this study, Congress could determine the potential negative effects of the regulation of commissions and fees before directing regulators to impose such rules.

Currently section 241 of H.R. 10 would mandate that financial regulators impose rules requiring the disclosure of commissions, fees, or other costs incurred by customers in the acquisition of financial products. In my view, this could be tantamount to price controls, and really has no place in financial modernization.

The provision in the bill is currently a solution in search of a problem. The question of the effectiveness of disclosing fees and commissions in protecting customers is really untested. There is little indication that disclosing fees and commissions beyond the extensive disclosure that is currently required would significantly benefit customers.

Such a requirement could even have unanticipated negative consequences. Disclosure of fees and commissions could stifle competition or threaten financial innovation or market liquidity.

Furthermore, the fee disclosure provision is vaguely worded. The term ''other costs incurred by customers'' could be expansively and inappropriately interpreted to include, for example, markups on securities transactions, which have been specifically excluded from the bill's language. Markups are of a very different nature than fees and commissions, but it could be wrongly swept into any rules resulting from the bill.

The fee disclosure proposal contradicts a policy of regulatory reform. This proposal would impose significant new compliance burdens for those affected. This proposal runs counter to streamlining regulation, which is the purpose of this carefully crafted bipartisan legislation.

The SEC and other financial regulators already have the full authority to require that fees and commissions be disclosed. Indeed, in many cases, such disclosure is already mandated. No regulator has suggested that they need additional authority in this area. Forcing regulators to broaden fee disclosure regulations represents congressional micro-management of the regulatory process.

The financial services industry is arguably the most competitive in our economy, and is expected to become increasingly more competitive with passage of H.R. 10. Before we mandate additional government regulation, we should be sure it will not jeopardize this growing financial market.

I urge all my colleagues to support this amendment.

Madam Chairman, I reserve the balance of my time.

Mr. DINGELL. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, with all respect to the author of this amendment, the amendment would keep consumers in the dark, and financial providers would enjoy it mightily.

Section 241 of H.R. 10 includes a noncontroversial and commonsense provision that passed the House last year in similar legislation. It requires all financial services regulatory agencies to prescribe or revise rules to improve the disclosure of commissions, fees, and other costs incurred by consumers in the purchase of financial products.

This section does not regulate or limit fees. That would be done by the market. Section 241 merely requires disclosure so consumers can comparison shop on the basis of understandable and accurate disclosure. This helps both competition and consumers.

The amendment would delete this disclosure requirement and replace it with a GAO study, a red herring rate regulation that nobody wants or seeks. We do not seek to regulate rates.

This bill is already a bust for consumers. We are functioning under a gag rule. But this amendment simply strips the consumers of banking and other financial services of one more right, and that is a right to know what the charges are being assessed against them by the banks and other financial institutions, and in a sense it significantly changes existing law.

Madam Chairman, I reserve the balance of my time.

Mr. COOK. Madam Chairman, I yield 30 seconds to my colleague, the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Chairman, I thank the gentleman for yielding time to me.

I rise in support of the amendment. This is what the Committee on Banking and Financial Services adopted. As the gentleman mentioned, the regulatory authorities already have the authority to impose this. We are telling them to do this, rather than waiting to see what the complications would be.

We are seeing increasing transparency in the financial services market. I think it would be a mistake for us to congressionally impose this without getting a study on it first. I commend the gentleman for his amendment, and I rise in support of it.

Mr. DINGELL. Madam Chairman, I yield 30 seconds to my good friend, the gentleman from New York (Mr. LAFALCE)

Mr. LAFALCE. Madam Chairman, I realize there was a discrepancy on this issue between the approach taken by the gentleman from Michigan (Mr. DINGELL) and the Committee on Banking and Financial Services, but my personal preference would be to obtain the language that is in the print before us right now.

I believe in disclosure, and I do not favor the amendment offered by the gentleman from Utah (Mr. COOK). I associate myself with the remarks of the gentleman from Michigan (Mr. DINGELL).

Mr. COOK. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to remind the gentleman from Michigan and the gentleman from New York that basically my amendment restores the Committee on Banking and Financial Services language that I think was brokered in a bipartisan agreement between myself and the gentleman from Vermont (Mr. SANDERS).

It was, of course, changed in the Committee on Commerce, and I very much respect their opinions, but felt that this was kind of agreed to back in the Committee on Banking and Financial Services. I just wanted to make that point.

Madam Chairman, I reserve the balance of my time.

Mr. DINGELL. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, what we are talking about here is a banking system and a financial system that is going to be fair and open. The gentleman, I am sure, will recall that this amendment was adopted unanimously, unanimously by the House last year. This is not something that has been snuck up into the proceedings in some curious fashion, it was in the bill last year. It was adopted overwhelmingly in the Committee on Commerce.

It simply says, disclose. Tell the truth. There is nothing wrong with that.

Madam Chairman, I yield back the balance of my time, with an expression of respect and affection for my colleague on the other side.

Mr. COOK. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, I thank the gentleman. I very much appreciate that. I just want to quickly say that the fee disclosure proposal does contradict, I think, a policy of regulatory reform, and this proposal would impose, I think, significant new compliance burdens for those affected. I think it does run counter to deregulation, which I think has been a hallmark of this Congress.

I urge my colleagues' support.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah (Mr. COOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COOK. Madam Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentleman from Utah (Mr. COOK) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 8 printed in House Report 106–214.

AMENDMENT NO. 8 OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mrs. ROUKEMA:

Page 312, after line 16, insert the following new subtitle (and amend the table of contents accordingly):

Subtitle E—Banks and Bank Holding Companies

SEC. 251. CONSULTATION.

(a) IN GENERAL.—The Securities and Exchange Commission shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion with respect to the manner in which any insured depository institution or depository institution holding company reports loan loss reserves in its financial statement, including the amount of any such loan loss reserve.

(b) DEFINITIONS.—For purposes of subsection (a), the terms ''insured depository institution'', ''depository institution holding company'', and ''appropriate Federal banking agency'' have the same meaning as in section 3 of the Federal Deposit Insurance Act.

The CHAIRMAN. Pursuant to House Resolution 235, the gentlewoman from New Jersey (Mrs. ROUKEMA) and a Member opposed each will control 5 minutes.

Mr. DINGELL. I rise in opposition to the amendment, Madam Chairman.

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) will be

recognized for 5 minutes in opposition to the amendment.

The Chair recognizes the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Madam Chairman, I yield myself 2 minutes and 40 seconds.

Madam Chairman, this issue is very straightforward and it is very clear. Members do not have to know anything about loan loss reserves or about accounting to understand this amendment.

Quite simply, the amendment requires the regulators, that is, the SEC and the Federal banking agencies, to communicate and coordinate before taking any action.

I must stress, there is misinformation out there. I must stress, it does not establish a different accounting system or anything that is bank-friendly in this rule. It does not lower accounting standards. It keeps the same accounting gap standards.

It does not eliminate, and this is the most important thing, it does not eliminate the SEC's statutory authority under the law to set accounting standards for these publicly-held companies, but it does require regulators, including the SEC, to communicate and coordinate.

This is extremely important because it has meant that over time, and particularly within this last year in the Sun Trust case, which I will not go into the details of, there was quite a bit of disagreement here, but it turned out that the SEC, when it took its action against Sun Trust, had had no consultation with the Fed, who is the functional regulator.

It seems very clear that, unfortunately, because of lack of clarification in the law about the requirements for coordination, the banks are being subjected to a kind of regulatory whipsaw. That is what this amendment is designed to deal with. Bank regulators are required by Federal law to apply gap or stricter standards to the banks.

□ 1945

We are not loosening that in any way. We are applying those same statutory requirements.

I had a hearing on June 16 on this subject, and we have received a multiple number of assurances from the SEC that they will work with the banking agencies. Yet that guidance that we have given them has never been followed. The type of prior consultation coordination with the banking agencies that are absolutely essential here have not been done.

I think we have to make it clear that we are not going to stand for this whipsawing back and forth and we will have a clear definition of responsibility.

Madam Chairman, I reserve the balance of my time.

Mr. DINGELL. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, I begin by expressing great respect and affection to the gentlewoman from New Jersey (Mrs. ROUKEMA). I would like to read the essential part of the language of the amendment. It says ''The Securities and Exchange Commission shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion''.

Now, that is pretty broad authority. It makes essentially the SEC, by the requirement for coordinating, subservient with regard to all of the matters under its jurisdiction in dealing with the banking regulators. For example, they could be compelled to address questions of behaviors of bank on accounting and accounting principles.

What the amendment really has in practical effect is the ability for the SEC to be prevented from imposing the same honest financial reporting it requires from other companies. I think we should ask the question why should the banks not play by the same rules that everybody else plays by?

We have got a lot of troubles with accounting and with misapplication of sound accounting principles. I think we ought to take a look at the requirements now, which are generally accepted accounting principles, GAP, as opposed to RAP.

Accounting trickery can afford enormous savings to wrongdoers. It can be sanctified by banking regulators as it has been in the past. It can cost taxpayers billions of dollars again, as it did in the 1980s when banking regulators permitted the use of regulatory accounting, which enabled the banks to then phony up their goodwill and to look solid and solvent where, in fact, they were not.

Bank regulators have said in the hearings before the Committee on Banking and Financial Services, they do not need this authority. The amendment is unnecessary.

The question then is, why would we treat banks differently than others in terms of the reporting which they must make to the regulatory agencies and to the shareholders and stockholders in their periodic reports? Who then but the banks would want to evade the responsibility of telling the truth? How would honest reporting and accounting under the jurisdiction of regulators who treat everybody the same way be bettered by permitting the banks to achieve separate different special and probably more favorable treatment?

Madam Chairman, I reserve the balance of my time.

Mrs. ROUKEMA. Madam Chairman, I yield 15 seconds to the gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Madam Chairman, I would just like to say that I think the amendment that the gentlewoman from New Jersey (Mrs. ROUKEMA) has brought is a very thoughtful and reasonable amendment and that it deserves to be added to this bill.

I recognize that what the gentleman from Michigan (Mr. DINGELL) says has a basis in good thought, but I think this is a true improvement.

Mrs. ROUKEMA. Madam Chairman, I yield 1 minute to the gentleman from Florida (Mr. MCCOLLUM), a senior member from the committee.

Mr. MCCOLLUM. Madam Chairman, I want to strongly support this amendment of the gentlewoman from New Jersey (Mrs. ROUKEMA). I think that, with all due respect to the gentleman from Michigan (Mr. DINGELL), banks are different from other corporations for good reason. Banks involve safety and soundness issues. We do not want a bank to fail.

Banks make loans. That is their business. When they make loans, they need loan loss reserves in order to have the padding to assure that they do not fail. That is a business that is best understood by banking regulators.

Yes, the Securities and Exchange Commission should regulate the corporate functions of a bank like it does any other corporation, except that it needs to be aware more than apparently it has been lately of the concerns we all have if we have failures, bankruptcies, defaults that could occur in a down and weak economy.

We have been blessed by a strong one right now. We do not want to see banks put in jeopardy. We do not want to see our deposits in banks put in jeopardy by the potential of their failure if their loans go south and they do not have enough loan loss reserves.

Let us do what the gentlewoman is asking. The gentlewoman from New Jersey (Mrs. ROUKEMA) is simply asking that bank regulators coordinate with the SEC anytime loan loss reserves are involved. That is what should be passed. That is this amendment. Vote yes.

Mr. DINGELL. Madam Chairman, I reserve the balance of my time.

Mrs. ROUKEMA. Madam Chairman, I yield 30 seconds to the gentleman from Minnesota (Mr. VENTO), the ranking member of the Subcommittee on Financial Institutions and Consumer Credit.

Mr. VENTO. Madam Chairman, I rise in support of the amendment. This does not change the Federal accounting standard board or the principles. It does not change the accounting rules or the standards. It simply says that, when one is going to apply them, that one has to have coordination.

The primary regulators here, after all, of banks are the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the State Regulatory Authorities. The fact is the bank should not be pulled in two directions at once.

The fact is most of these are guidelines. They claim that they are cooperating with the regulators. In fact, of course, they keep going and circumventing them around. The fact is that the instance that is brought up here actually reduced the amount of loan loss reserves. It took money out of the bank. We need those loan loss reserves. We need safety and soundness. We need this amendment.

I want to rise in support of Mrs. ROUKEMA's amendment which will require the Securities and Exchange Commission to consult and coordinate with the appropriate Federal banking agency on the issue of loan loss reserves before issuing any comments, taking any action, or rendering any opinion on the level of an institution's loan loss reserves.

This amendment will ensure that the SEC cannot take significant actions that could have a critical or negative impact upon the adequacy of capital that a bank has without communicating with the proper banking regulator. This amendment should help ensure that FDIC insured institutions will not be caught flat footed when the inevitable downward tick of the business cycle hits.

Bank regulators have been strongly stressing that better attention be paid to credit quality in their portfolios. The regulators have been asking banks to have proper reserves. The amendment will have the positive impact of assuring that the SEC cannot act unilaterally to lower important loan loss reserves without consulting with those responsible to assure that the banks are operating in a safe and sound manner.

The amendment does not change accounting standards. It does not alter FASB interpretations. It does not eliminate SEC authority. It is a simple and fair amendment that requires regulatory discourse.

When I asked the SEC witness at our Financial Institutions and Consumer Credit Subcommittee what the SEC's relationship would be with the banking regulators in the instance of a challenge or an issue with regards to an institution's loan loss reserves, the response was there was a hope to continue conferring with the bank regulators. This amendment should do the trick.

I thank the gentlewoman, Chairwoman ROUKEMA, for bringing this amendment for the consideration of the House and ask my colleagues to support it.

The CHAIRMAN. As a member of the reporting committee controlling time in opposition to the amendment, the gentleman from Michigan (Mr. DINGELL) will have the right to close.

Mrs. ROUKEMA. Madam Chairman, I yield 30 seconds to the gentleman from Alabama (Mr. BACHUS), a member of the committee.

Mr. BACHUS. Madam Chairman, we have five agencies that regulate the banks, including the OTS, the FDIC, the Federal Reserve, the Comptroller of the Currency, and the SEC. They all got together said we have overlapping jurisdiction. That is causing concerns. Some warned we need to coordinate our efforts.

The SEC simply does not, has not done that. They have questioned the other organizations, their interpretations on what are the loan loss reserve requirements. They do not have the experience these other regulators have with the banks. Someone has to take the lead.

The bottom line, the SEC cannot come in here like a bull in a China shop and overrule these other banks on their auditing practices and on their reserve practices. This is a great amendment.

Madam Chairman, I would like to thank the gentlewoman from New Jersey for all of her hard work on this legislation and her efforts on this amendment. I would also like to discuss a related accounting matter.

I have been informed by a constituent that the Federal Accounting Standards Board (FASB) may propose a rule eliminating an accounting practice known as "pooling".

Pooling is an accounting method used when two companies merge to become one.

In a pooling, the acquiring and acquired companies simply combine their financial statements.

I believe it is important that this issue be discussed publicly before any final rule is implemented.

In addition, it is my understanding that in the past the Federal Accounting Standards Board has not always sought adequate input from the accounting or banking communities on proposed changes in regulations.

I appreciate the Chairwoman's efforts on the pending amendment. I would appreciate it if she would keep this in mind when the conference committee meets so that we include language either in this bill or future legislation to ensure that this process is an open and fair one.

I thank the gentlewoman for her time and attention to this matter.

Mrs. ROUKEMA. Madam Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Madam Chairman, I rise in support of the amendment offered by the gentlewoman from New Jersey.

Madam Chairman, I appreciate the chairwoman of the Subcommittee of the Financial Institutions and Consumer Credit, MARGE ROUKEMA, for following my lead and bringing this issue to the attention of the House of Representatives today. This amendment comes about from my initial letter to the Securities and Exchange Commission (SEC) in November 1998. Last fall, I wrote the Chairman of the Securities and Exchange Commission (SEC) the following letter detailing my concerns with the loan loss reserve issue:

November 9, 1998.

In re inquiry by the SEC into Sun Trust's accounting practices.

Hon. ARTHUR LEVITT, Jr.,
Chairman, Securities and Exchange Commission, Washington, DC.

DEAR CHAIRMAN LEVITT: It has come to my attention that the Securities and Exchange Commission (SEC) has begun an inquiry into the accounting practices of Sun Trust Bank. The $60.7 billion-asset Sun Trust Bank, based in Atlanta, announced the SEC has opened an inquiry examining its policies for loan-loss reserves as part of a review of the pending acquisition of Crestar Financial Corporation.

It is my understanding that a bank's loan loss reserve is arrived at by evaluating prior loan loss expectations and future loan loss expectations. In addition, a loan loss reserve is a subjective matter which is determined every quarter by a bank's management, its board of Directors, and the banks principal regulator as to the adequacy of the level at any given time. Banking experts believe the SEC's actions are the first time the Commission has judged a bank's reserve to be too large. With a fluctuating economy it would be imprudent to expect institutions to operate in a manner in which they maintain only marginal reserves.

As a member of the House of Representatives Banking and Financial Institutions Committee, I am concerned about the SEC's review of SunTrust's accounting practices.

I would like to review the SEC's decision with someone from your staff. I would therefore appreciate someone contacting my Banking Legislative Assistant, Sarah Dumont, at (202) 225–2944, to schedule a meeting to discuss this issue further.

With warm regards, I am,

Very truly yours,

BOB BARR,
Member of Congress.

In addition, my staff met with the SEC, and it was determined a hearing should be held to discuss this very important issue. Therefore, I contacted the Chairman of the Banking Committee at the start of the 106th Congress to request a hearing.

January 20, 1999.

In Re loan loss reserve hearing.

Hon. JAMES A. LEACH,
Chairman, Committee on Banking and Financial Services, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As the 106th Congress begins, and the Banking and Financial Services Committee begins to formulate its agenda for the upcoming session, I wanted to take this opportunity to outline a proposed hearing for the Banking Committee to consider.

In September 1998, the Securities and Exchange Commission (SEC) found that some banks been aggressively reserving for future loan losses which the Commission argued made it difficult for investors to understand the real profit picture of these banks. In the past, bank regulators often scrutinized banks for under-reserving.

With a fluctuating economy, many experts agree it is inadvisable to expect institutions to operate in a manner in which they maintain only marginal reserves. However, the SEC's recent inquiry into the "excess" reserves at some banks is the first time the Commission has judged a bank's reserve to be too large. The SEC puts forth the novel arguments that banks which over-reserve for future loan-losses make it difficult for investors to understand the true profit picture.

This increased scrutiny of banks' earnings management has sent mixed signals to the banking community. It is my understanding a loan loss reserve is a subjective matter which is determined every quarter by a bank's management, its Board of Directors, and the banks principal regulator as to the adequacy of the level at any given time. Under the scenario not advocated by the SEC, banks are now faced with a highly uncertain and arbitrary regulatory environment.

A hearing to clarify the past and approaching loan-loss reserve levels would serve a

beneficial purpose to clarify regulatory efforts of the SEC and its effects on current banking regulatory procedures.

I will look forward to hearing from you with regard to this proposed hearing.

With warm regards, I am,

Very truly yours,

BOB BARR,
Member of Congress.

In addition, on February 11, 1999, I sent a followup letter to Chairman LEACH, expressing the urgency of this issue and the concern this uncertainty would have on the banking community. I emphasized a hearing would bring clarity to an issue that is confusing and dangerous to the health of the banking industry.

FEBRUARY 11, 1999.

In re loan loss reserve hearing.

Hon. JAMES A. LEACH,
Chairman, Committee on Banking and Financial Services, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I wanted to express my appreciation to both you and Chairwoman Roukema for your commitment to pursue the issue of loan loss reserve limits, and the Security and Exchange Commission's regulation of these limits in the Committee this session.

As you know, in September 1998, the Securities and Exchange Commission (SEC) found that some banks had been aggressively reserving for future loan losses, which the Commission argued made it difficult for investors to understand the real profit picture of these banks. In the past, bank regulators were often scrutinized banks for under-reserving.

Banks are highly regulated and closely supervised by regulatory agencies familiar with the individual banks they regulate and the credit quality of their loan portfolios. It is inefficient, unreasonable, and inappropriate for the SEC to exert discretion over a bank's credit philosophy, which could result in banks lowering the level of reserves they put aside to protect against credit losses. With a fluctuating economy, to undertake such actions or implement policies discourages banks from conservatively reserving for loan losses. Such a policy by the SEC could in fact be detrimental to the health of our financial industry.

This action taken by the SEC now places our banks in a highly uncertain and arbitrary regulatory environment. A hearing to clarify the past and approaching loan-loss reserve levels would clarify regulatory efforts of the SEC, and its effects on current banking regulatory procedures.

With warm regards, I am,

Very truly yours,

BOB BARR,
Member of Congress.

On June 16, 1999, Chairwoman ROUKEMA held a hearing per my request. Again, I thank you, the Chairwoman, for promptly responding to my request for a hearing to determine the process and controversies on setting the adequate loan loss reserve amounts.

As I made you aware of my concerns when the SEC's conducted a 2-month review process of a bank in my congressional district, this bank was penalized and required to restate its earnings by $100 million. During the investigation, the SEC began to question the "excessive" reserves at predominately conservative banks. This finding sent a ripple effect across the financial services community. In my opinion, the SEC has over-stepped its authority by attempting to coerce banks into adopting less conservative lending practices.

What the SEC may discourage as "aggressively" reserving, the bank regulators and others may support as "conservatively reserving. There is broad agreement among the industry that an accurate earnings picture is vital for out financial institutions to operate successfully. I am not aware of any complaints filed by bank analysts alleging dishonest or misleading financial reports. Moreover, the bank regulators reviewed banks records and found they complied with all current laws and regulations. When it became clear to me the SEC was acting without the support of the appropriate banking regulators, I wrote to Chairman LEACH, asking hearings be held to look into the SEC's finding that some banks had been improperly reserving for future loan losses.

It seems clear the SEC has engaged in heavy-handed tactics, resulting in at least one bank (SunTrust) restating its earnings from 1994 to 1996; thereby cutting its reserves by $100 million. The SEC's inquiry into the "excess" reserves at some banks is the first time in recent history the Commission has judged a bank's reserve to be too large, and argued that over-reserving for future loan losses makes it difficult for investors to understand the true profit picture.

Madam Chairman, as you and I were told back in March during the mark-up of H.R. 10, the SEC and bank regulators have been working together to publish a joint clarification on banks' loan loss reserves. This clarification was to include the methodology and accounting rules as well as documentation and disclosure requirements to help guide banks. However, that clarification never reached a consensus.

On its own initiative, the SEC pushed for the recent issuance of the Financial Accounting Standards Board (FASB) clarifying rule on Statements No. 5, Accounting for Contingencies, and No. 114, Accounting by Creditors for Impairment of a Loan, published on April 12, 1999. The FASB clarification was meant to help guide the Generally Accepted Accounting Principles (GAAP). Instead, the rule seems to have left banks in a state of confusion. This is distressing.

This present confusion over excessive reserve amounts creates a disincentive for banks to maintain the necessary protection against today's fluctuating economy. Unfortunately, banks are receiving conflicting signals concerning loan loss withholdings by two differing interest groups: the SEC and the bank regulators.

Aren't we supposed to learn from our mistakes? One need only look to the Savings and Loan debacle in the 1980's to understand the urgent need to create a clear and concise, uniform standard regarding loan loss reserves. The safety and soundness of our banking industry is vitally important to our economy and it is obvious the SEC's mandate does not reflect common sense or the well-being of the American people. That should alarm everyone.

The financial security and lifetime savings of millions of Americans depends on the ability of banks to establish and follow safe, sound and reasonable lending practices. Maintaining adequate and realistic loan loss reserves is a key part of this process. Any concerns the SEC has with the market value of financial institutions must be reasonable, based on common sense, and arrived at in conjunction with the banks and bank deregulators. Moreover, these loan loss reserve guidelines must not be allowed to become the tail wagging the regulatory dog; seen as more important than the goal of protecting basic fiscal soundness of our banks. Hopefully, the SEC will end its efforts to force hanks to drop conservative lending policies, at least without clear congressional action.

CONGRESS OF THE UNITED STATES,
Washington, DC, February 11, 1999.

In re loan reserve hearing.

Hon. JAMES A. LEACH,
Chairman, Committee on Banking and Financial Services, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I wanted to express my appreciation to both you and Chairwoman Roukema for your commitment to pursue the issue of loan loss reserve limits, and the Security and Exchange Commission's regulation of those limits in the Committee this session.

As you know, in September 1998, the Securities and Exchange Commission (SEC) found that some banks had been aggressively reserving for future loan losses, which the Commission argued made it difficult for investors to understand the real profit picture of these banks. In the past, bank regulators were often scrutinized banks for under-reserving.

Banks are highly regulated and closely supervised by regulatory agencies familiarly with the individual banks they regulate and the credit quality of their loan portfolios. It is inefficient, unreasonable, and inappropriate for the SEC to exert discretion over a bank's credit philosophy, which could result in banks lowering the level of reserves they put aside to protect against credit losses. With a fluctuating economy, to undertake such actions or implement policies discourages banks from conservatively reserving for loan losses. Such a policy by the SEC could in fact be detrimental to the health of our financial industry.

This action taken by the SEC now places our banks in a highly uncertain and arbitrary regulatory environment. A hearing to clarify the past and approaching loan-loss reserve levels would clarify regulatory efforts by the SEC, and its effects on current banking regulatory procedures.

With warm regards, I am,

Very truly yours,

BOB BARR,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 20, 1999.

In re loan loss reserve hearing.

Hon. JAMES A. LEACH,
Chairman, Committee on Banking and Financial Services, House of Representatives, Rayburn House Office Building, Washington DC.

DEAR MR. CHAIRMAN: As the 106th Congress begins, and the Banking and Financial Services Committee begins to formulate its agenda for the upcoming session, I wanted to take this opportunity to outline a proposed hearing for the Banking Committee to consider.

In September 1998, the Securities and Exchange Commission (SEC) found that some

banks had been aggressively reserving for future loan losses which the Commission argued made it difficult for investors to understand the real profit picture of these banks, In the past, bank regulators often scrutinized banks for under-reserving.

With a fluctuating economy, many experts agree it is inadvisable to expect institutions to operate in a manner in which they maintain only marginal reserves. However, the SEC's recent inquiry into the ''excess'' reserves at some banks is the first time the Commission has judged a bank's reserve to be too large. The SEC puts forth the novel argument that banks which over-reserve for future loan-losses make it difficult for investors to understand the true profit picture.

This increased scrutiny of banks' earnings management has sent mixed signals to the banking community. It is my understanding a loan loss reserve is a subjective matter which is determined every quarter by a bank's management, its Board of Directors, and the bank's principal regulator as to the adequacy of the level at any given time. Under the scenario not advocated by the SEC, banks are now faced with a highly uncertain and arbitrary regulatory environment.

A hearing to clarify the past and approaching loan-loss reserve levels would serve a beneficial purpose to clarify regulatory efforts of the SEC and its effects on current banking regulatory procedures

I will look forward to hearing from you with regard to the proposed hearing.

With warm regards, I am,

Very truly yours,

BOB BARR,
Member of Congress.

MARKUP OF H.R. 10, THE FINANCIAL SERVICES ACT OF 1999, WEDNESDAY, MARCH 10, 1999, HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES, WASHINGTON, DC.

The CHAIRMAN. The Clerk will call up the amendment.

Ms. COLE. Amendment offered by Mr. Barr. Page 96 after line——

The CHAIRMAN. Without objection, the amendment will be considered as read and Mr. Barr is recognized.

Mr. BARR. Thank you, Mr. Chairman. Mr. Chairman, this amendment provides for at least a partial redress for a problem that has arisen last fall in which the Securities and Exchange Commission, in not consulting with federal banking agencies, took action against a major bank—in this case, Sun Trust—forcing it to lower its loan loss reserves after it had already set those, by $100 million.

As far as I know, Mr. Chairman, this is the first instance in which the SEC or any federal agency has taken against a bank for being perhaps, too conservative in seeking to protect its customers, its shareholders, against possible problems in the future economy.

If in fact, we are witnessing here some action or policy on the part of the SEC that is going to create uncertainty with regard to banks being able to establish proper and conservative reserves for future loan losses, then I think at least it ought to be something that is done in consultation with the banking agencies, the federal banking agencies.

I have been looking at this and appreciate very much the very strong support and active involvement of Chairwoman Marge Roukema in this regard as well.

And what I have proposed here, Mr. Chairman, is a very simple, straightforward amendment that simply requires that within 60 days after the enactment of this Act the SEC and the federal banking agencies will consult with each other concerning these matters of future loan loss reserves, so that we don't have a patchwork lack of policy in this regard.

Moreover, Mr. Chairman, at subparagraph B, I provide that pursuant to and as a result of these negotiations the SEC and the banking agencies submit a report to the Congress reflecting the results of their consultation, so that we can have, and so that the banking industry knows where they stand.

I think this is very, very prudent and a good management too, Mr. Chairman, and will avoid the disruptions that certainly will occur if the SEC is allowed to unilaterally, without consulting with the banking agencies, force banks after the fact to lower their loan loss reserves.

This is not, as far as I can tell, Mr. Chairman, an instance in which Sun Trust had done anything wrong. As a matter of fact, they were being very, very prudent in setting their future loan loss reserves.

So I would urge other members to adopt this very reasonable approach which hopefully will avoid further disruptions. It will impose no significant cost on anybody but hopefully will avoid significant costs in the future by forcing the SEC to work with the federal banking agencies as opposed to possibly adverse to them.

I understand that the SEC is interested in working something out on this, Mr. Chairman, but I don't think that obviates the need for this amendment at this time. If in fact, something is worked out then that will be just fine.

But I do think that it is important for this committee at this time and for the full House in taking up consideration of H.R. 10 to tell the SEC, if you are going to take this sort of action which is something that is very novel, at least do so in consultation with the federal banking agencies.

So that the banks know where things stand and if they do have to change their policies at least they know in advance as opposed to coming in—the SEC that is—coming in after the fact and forcing them to expend very significant sums of money and causing disruptions to shareholders and to the banking community.

I would urge adoption of the amendment.

The CHAIRMAN. Mrs. Roukema.

Mrs. ROUKEMA. Mr. Chairman, may I be recognized out of my own time?

The CHAIRMAN. Yes, you are.

Mrs. ROUKEMA. Thank you. Thank you, Mr. Chairman. I apologize to you and all the members of the committee, and now especially to Mr. BARR because I have arrived so late here.

Believe it or not because of weather conditions I have been traveling since 7 o'clock yesterday morning to get back here to Washington. And you might not believe that, but that was the fact, and I apologize for being late but it couldn't be helped. God wasn't working with me today.

Now, Mr. BARR and I have been working on this. I think we have had consistent opinions on this problem of loan loss reserves, and I believe he and I have the same amendment that was put forth.

However, I have been working with the SEC and the other regulators on this and I have just learned moments before I entered here that aside from it being imminent where we had a draft of the agreement that the SEC and the regulators are working on the same things that Mr. BARR and I had been trying to get agreement on, I have just been informed not more than two or three minutes ago that agreement has been completely reached by all parties, including the SEC, and that the final agreement is being faxed.

Now, it is my understanding that accomplishes completely what Mr. BARR and I have been trying to do here. So I would say that pending receipt of that final agreement, I don't know whether there is any point to passing this legislation, this amendment or not, or whether we should reserve judgment until Mr. BARR, I, and other staff and the Chairman go over it, because I believe it has accomplished our purpose.

Certainly the questions that I've asked all have been answered at least on the phone and in the first draft. So we are waiting momentarily for that final draft to be here.

Mr. BACHUS. Would the Chairwoman yield?

Mrs. ROUKEMA. Yes. Yes, I yield to my friend.

Mr. BARR. If we could procedurally, Mr. Chairman, I would have no objection to withholding the amendment at this time so long as we will have an opportunity before a final voting on H.R. 10 in this committee, to resurrect it if it becomes necessary. Or if not, we could incorporate the agreement that we hope has been reached and reflects our views in the final product.

The CHAIRMAN. Let me just respond generally——

Mrs. ROUKEMA. If that is possible that would certainly be a sensible way, I would think, of approaching the subject. Because it is something that we do want to see is corrected in this legislation, if need be.

The CHAIRMAN. Well, if the gentlelady would yield, let me say to both her and Mr. BARR that this is a very extraordinary subject matter and it is one that would necessitate Congressional intervention if the various regulators did not come to mutual understanding.

I appreciate the offer of the gentleman, Mr. BARR. I think it is the most appropriate offer, and that is to withdraw the amendment at the moment and then to review what has occurred.

And in that event let me say, the amendment is withdrawn and the Chair would ask unanimous consent to return to the subject matter in the event that Mrs. ROUKEMA and Mr. BARR are dissatisfied in a fundamental way with what is apparently proceeding today in the Executive Branch.

Without objection so ordered. The subject matter is reserved and the amendment is withdrawn. Are there further amendments to Title I?

Mrs. ROUKEMA. Thank you, Mr. Chairman.

Ms. WATERS. Mr. Chairman.

The CHAIRMAN. I said to Mrs. WATERS that I would recognize her next.

Ms. WATERS. Yes, thank you very much, Mr. Chairman. This is really offered by Mr. GUTIERREZ. I and Ms. SCHAKOWSKY have supported and co-sponsored this with him. He had to leave so he asked me to take it up. So the amendment is at the desk.

Mrs. ROUKEMA. Madam Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. KELLY) from the committee.

Mrs. KELLY. Madam Chairman, I rise in support of the amendment.

I thank my good friend from New Jersey for yielding me time.

Madam Chairman, I rise in strong support of this amendment. This loan loss reserve issue is creating a great deal of confusion for banks

that are publicly traded on an exchange or market. This situation where they are torn between directions from their primary bank regulator and the SEC need not happen if proper communications are established between the regulators. In this case—the proper loan loss reserves needed by the banks—communication was clearly lacking. This language does not stop the SEC from doing anything, it simply requires them to communicate as they should have been doing all along.

We held a hearing on this loan loss reserve issue in our Financial Institutions Subcommittee on June 16. The message we heard from all parties involved was that better communication is necessary. I hope all of my colleagues on both sides of the aisle will join us in support of this common sense amendment.

Mrs. ROUKEMA. Madam Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LAFALCE), the ranking member.

Mr. LAFALCE. Madam Chairman, I rise in support of the amendment.

Mrs. ROUKEMA. Madam Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. BENTSEN), also a member of the committee.

Mr. BENTSEN. Madam Chairman, I rise in support of the amendment.

Mrs. ROUKEMA. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I want to again stress there is no change in GAP, no change in the accounting standards or the statutory requirements and the statutory authority of the SEC. It simply requires absolute coordination and conferring.

Mr. DINGELL. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, let me read the language of the amendment again so everybody understands what we are talking about. It says, ''The Securities and Exchange Commission shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion.''

That makes the SEC subject to the bank regulators in matters in which it has traditionally acted under its powers given it by the Congress of the United States. Never before has it been subject to the jurisdiction of the bank regulators.

Now, the bank regulators said they did not need this authority. As a matter of fact, the joint guidance issued in March of this year by the SEC and by the bank regulators reaffirmed the importance of credible financial statements and meaningful disclosure to investors to a safe and sound financial system.

The joint interagency letter reaffirms the policy set by Congress that the banks should follow GAP when recording and reporting loan locations.

I would simply advise my colleagues, there is no reason to do this. The bank regulators do not seek the authority to have this done. The only good-hearted folks who want to do it is the bankers. The bankers simply do not want to tell the people all the things they should. They want to be able to get things cooked around the way they might like to have them done.

I would also inform my colleagues that there is something else. This is going to impose interminable amounts of delay on banks in getting decisions on matters important to them which are charged to the SEC because of the immense amount of coordination, the immense amount of time, the immense amount of effort, and the immense amount of action that will be required by both the SEC and by the bank regulators.

If my colleagues want to waste time, hurt banking, hurt consumers, and see to it that the people do not receive an honest picture of events going on in the bank, this is the amendment for them. If, however, my colleagues want to continue a system which works generally well and which causes no problem and which the bank regulators seek no change, then vote with me. Vote against the amendment.

Madam Chairman, I include for the RECORD the Joint Release that I referred to as follows:

SECURITIES AND EXCHANGE COMMISSION, FEDERAL DEPOSIT INSURANCE CORPORATION, FEDERAL RESERVE BOARD, OFFICE OF COMPTROLLER OF THE CURRENCY, OFFICE OF THRIFT SUPERVISION,

Washington, DC, March 10, 1999.

JOINT PRESS RELEASE

The Securities and Exchange Commission, Federal Deposit Insurance Corporation, Federal Reserve Board, Office of Comptroller of the Currency, and Office of Thrift Supervision have jointly issued the attached letter to financial institutions on the allowance for loan losses.

Attachment:

JOINT INTERAGENCY LETTER TO FINANCIAL INSTITUTIONS

Last November, the Securities and Exchange Commission, Federal Deposit Insurance Corporation, Federal Reserve Board, Office of Comptroller of the Currency, and Office of Thrift Supervision (the Agencies) issued a Joint Interagency Statement in which they reaffirmed the importance of credible financial statements and meaningful disclosure to investors and to a safe and sound financial system. The Joint Interagency Statement underscored the requirement that depository institutions record and report their allowance for loan and lease losses in accordance with generally accepted accounting principles (GAAP). We stress and continue to emphasize the importance of depository institutions having prudent, conservative, but not excessive, loan loss allowances that fall within an acceptable range of estimated losses. We recognize that today instability in certain global markets, for example is likely to increase loss inherent in affected institutions' portfolios and consequently require higher allowances for credit losses than were appropriate in more stable times.

Despite the issuance of the November Joint Interagency Statement, there is continued uncertainty among financial institutions as to the expectations of the banking and securities regulators on the appropriate amount, disclosure and documentation of the allowance for credit losses. The Agencies now announce additional measures designed to address this continued uncertainty. These measures are consistent with the Agencies' mutual objective of, and focus on, addressing prospectively, where feasible, issues related to improving the documentation, disclosure, and reporting of loan loss allowances of financial institutions.

The Agencies are establishing a Joint Working Group, comprised of policy representatives from each of the Agencies, to gain a better understanding of the procedures and processes, including ''sound practices,'' used generally by banking organizations to determine the allowance for credit losses. An important aspect of the Joint Working Group's activities will be to receive input from representatives of the banking industry and the accounting profession on these matters, and will not involve joint examinations of institutions. The common base of knowledge that results will facilitate the joint and individual efforts of the Agencies to provide improved guidance on appropriate procedures, documentation, and disclosures to the banking industry. This will assist the banking community in complying with GAAP and will improve comparability among financial statements of depository and other lending institutions. The Joint Working Group will also share information and insights concerning issues of mutual concern that may arise.

Using information gathered through the Joint Working Group and from representatives of the accounting profession and the banking industry, the Agencies will work together to issue parallel guidance, on a timely basis, and within a year on the first two items listed below, in the following key areas regarding credit loss allowances:

Appropriate Methodologies and Supporting Documentation.—The Agencies intend to issue guidance that will suggest procedures and processes necessary for a reasoned assessment of losses inherent in a portfolio and discuss ways to ensure that documentation supports the reported allowance.

Enhanced Disclosures.—This guidance will address appropriate disclosures of allowances for credit losses and the credit quality of institutions' portfolios by identifying key areas for enhanced disclosures, including the need for institutions to disclose changes in risk factor and asset quality that affect allowances for credit losses. The enhanced disclosures would contribute to better understanding by investors and the public of the risk profile of banking institutions and improve market discipline.

The Agencies will work together to encourage and support the Financial Accounting Standards Board's process of providing additional guidance regarding accounting for allowances for loan losses. The Agencies emphasize that GAAP requires that management's determination be based on a comprehensive, adequately documented, and consistently applied analysis of the particular institution's exposures, the effects of its lending and collection policies, and its own loss experience under comparable conditions.

In addition, the Agencies will support and encourage the task force of the American Institute of Certified Public Accountants (AICPA) that is developing more specific guidance on the accounting for allowances for credit losses and the techniques of measuring the credit loss inherent in a portfolio

at a particular date. In particular, the AICPA task force will focus on providing guidance on how best to distinguish probable-losses inherent in the portfolio as of the balance sheet date—the guidepost agreed to by the Agencies for reporting allowances in accordance with GAAP—from possible or future losses not inherent in the balance sheet as of that date. Additionally, the Agencies will ask the AICPA task force to consider recently developed portfolio credit risk measurement and management techniques that are consistent with GAAP as part of this effort. The AICPA project already has been initiated and will include representatives from the accounting profession and the banking industry, as well as observers from the SEC and the banking agencies.

Senior staff of the Agencies will continue to meet to discuss banking industry accounting and financial disclosure policy issues of interest that affect the transparency of financial reporting and bank safety and soundness. These discussions will address progress in the application of accounting and disclosure standards by banking institutions, including those impacting the allowance for credit losses, with particular focus on recently identified issues and trends. The meetings also will be used to coordinate projects of the Agencies in areas of mutual interest. The first of these meetings was held on January 27.

The Agencies believe that the actions announced above will promote a better and clearer understanding among financial institutions of the appropriate procedures and processes for determining credit losses in accordance with GAAP. The Agencies intend that these steps will enhance the transparency of financial information and improve market discipline, consistent with safety and soundness objectives. In recognition of the specialized regulatory nature of the banking industry and in order to resolve ongoing uncertainties in the industry, with the announcement of these initiatives, the Agencies' focus, in so far as feasible, will be on enhancing allowance practices going forward.

To: Washington, Consuela.
Subject: More on loan loss.
Re: the transcript I just sent you—I know a few of the bank regulators kind of waffled or ducked a little on the answer to ''do we need regulation?'' but NONE of them said anything close to ''yes.''

Also, below is an excerpt from the appendix to the OCC's written testimony for the loan loss hearing (also on the H. Banking website):

Question 4. Please discuss whether the SEC has consulted with and coordinated its comments on loan loss reserves with the Federal Reserve and other federal banking regulators. Please discuss whether you believe consultation between the SEC and the regulators prior to the SEC issuing loan loss reserve comments would be workable and whether prior consultation would promote a more consistent approach to GAAP.

Answer 4. Although SEC staff occasionally consult with the OCC's Chief Accountant's staff on accounting issues, the SEC has not generally done so on issues involving comments for a specific registrant, particularly regarding the registrant's loan loss reserve.

The OCC believes that such consultation would promote a more consistent approach to GAAP. However, because of examination timing and other logistical issues, such consultation, if practiced for all filings, might detract from the SEC's ability to ensure that registrants receive timely reviews of their statements. A more efficient approach would be for the SEC to consult with bank regulators on filings where it has significant questions pertaining to a registrant's loan loss reserve.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. ROUKEMA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. ROUKEMA. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 235, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 1 offered by the gentleman from North Carolina (Mr. BURR), amendment No. 4 offered by the gentleman from Georgia (Mr. BARR), amendment No. 7 offered by the gentleman from Utah (Mr. COOK), and amendment No. 8 offered by the gentlewoman from New Jersey (Mrs. ROUKEMA).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1 OFFERED BY MR. BURR OF NORTH CAROLINA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 1 offered by the gentleman from North Carolina (Mr. BURR) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 189, not voting 7, as follows:

[Roll No. 268]

AYES—238

Abercrombie
Aderholt
Archer
Armey
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Boswell
Boucher
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
Delahunt
DeLay
DeMint
Diaz-Balart
Dickey
Dixon
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Etheridge
Everett
Ewing
Fletcher
Fowler
Franks (NJ)
Gallegly
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hilliard
Hobson
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Isakson
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Jones (NC)
Kasich
Kelly
Kildee
King (NY)
Kingston
Kleczka
Knollenberg
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meek (FL)
Metcalf
Miller (FL)
Minge
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Ose
Oxley
Packard
Paul
Payne
Pease
Peterson (MN)
Peterson (PA)
Pickering
Pitts
Pombo
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Reynolds
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Rush
Salmon
Sanford
Sawyer
Saxton
Schaffer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skelton
Smith (TX)
Souder
Spence
Spratt
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Toomey
Towns
Traficant
Udall (CO)
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NOES—189

Ackerman
Allen
Andrews
Baldacci
Baldwin
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Bono
Boyd
Brady (PA)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clement
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Ehlers
Engel
English
Eshoo
Evans
Farr
Fattah
Filner
Foley
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Gordon
Green (WI)
Gutierrez
Hall (OH)
Hefley
Hill (IN)
Hill (MT)
Hinchey
Hinojosa
Hoeffel
Hoekstra
Holden
Holt
Hooley
Hostettler
Hutchinson
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kilpatrick
Kind (WI)
Klink
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson

Lantos
Larson
Leach
Lee
Levin
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Petri
Phelps
Pickett
Pomeroy
Porter
Rahall
Rangel
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Scarborough
Schakowsky
Serrano
Sherman
Sisisky
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Stabenow
Stark
Stearns
Tanner
Tiahrt
Tierney
Turner
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Waters
Waxman
Wexler
Weygand
Woolsey
Wu

NOT VOTING—7

Borski
Brown (CA)
Fossella
Ganske
Green (TX)
Lipinski
Pelosi

□ 2025

Messrs. DAVIS of Illinois, NUSSLE, OBERSTAR, RILEY, DEUTSCH, and TIAHRT changed their vote from ''aye'' to ''no.''

Mrs. THURMAN, Ms. EDDIE BERNICE JOHNSON of Texas, and Messrs. ABERCROMBIE, SHADEGG, HILLIARD, DIXON, UDALL of Colorado, and LAZIO changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to House Resolution 235, the Chair announces that it will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 4 OFFERED BY MR. BARR OF GEORGIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 4 offered by the gentleman from Georgia (Mr. BARR) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 129, noes 299, not voting 6, as follows:

[Roll No. 269]

AYES—129

Aderholt
Archer
Armey
Barcia
Barr
Bartlett
Barton
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Burr
Buyer
Callahan
Camp
Campbell
Chabot
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Cook
Crane
Cubin
Deal
DeMint
Doolittle
Dreier
Duncan
Ehrlich
English
Everett
Fletcher
Gallegly
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Green (WI)
Gutknecht
Hall (TX)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Hulshof
Hunter
Istook
Jenkins
Johnson, Sam
Jones (NC)
Kingston
Largent
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lucas (OK)
Manzullo
McInnis
McIntyre
McKeon
Metcalf
Miller, Gary
Miller, George
Mink
Moran (KS)
Myrick
Nethercutt
Ney
Norwood
Ose
Packard
Paul
Pease
Peterson (MN)
Pickering
Pickett
Pitts
Pombo
Radanovich
Reynolds
Riley
Rivers
Rohrabacher
Royce
Ryan (WI)
Ryun (KS)
Sanford
Scarborough
Schaffer
Sensenbrenner
Sessions
Sherwood
Shuster
Skeen
Smith (MI)
Smith (NJ)
Spence
Stearns
Stump
Sununu
Tancredo
Taylor (MS)
Taylor (NC)
Thornberry
Tiahrt
Toomey
Walden
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weller
Wicker
Woolsey
Young (AK)

NOES—299

Abercrombie
Ackerman
Allen
Andrews
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Bonior
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Bryant
Burton
Calvert
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clyburn
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crowley
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dunn
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Gordon
Granger
Greenwood
Gutierrez
Hall (OH)
Hansen
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
Lazio
Leach
Lee
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntosh
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Peterson (PA)
Petri
Phelps
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Shows
Simpson
Sisisky
Skelton
Slaughter
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Sweeney
Talent
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walsh
Waters
Watt (NC)
Waxman
Weiner
Weldon (PA)
Wexler
Weygand
Whitfield
Wilson
Wise
Wolf
Wu
Wynn
Young (FL)

NOT VOTING—6

Borski
Brown (CA)
Fossella
Green (TX)
Lipinski
Pelosi

□ 2033

Mr. NADLER changed his vote from ''aye'' to ''no.''

Mr. TAYLOR of Mississippi changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 7 OFFERED BY MR. COOK

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 7 offered by the gentleman from Utah (Mr. COOK) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 114, noes 313, not voting 7, as follows:

[Roll No. 270]

AYES—114

Aderholt
Archer
Armey
Bachus
Baker
Barr
Bartlett
Bentsen
Biggert
Blunt
Boehner
Bonilla
Boswell
Burton
Buyer
Callahan
Cannon
Chambliss
Coburn
Collins
Cook
Cramer
Crane
Cubin
Cunningham
Davis (VA)
DeLay
DeMint
Diaz-Balart
Dreier
Duncan
Dunn
Engel
English
Everett
Fletcher
Gibbons
Gilchrest
Goodling
Goss
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Horn
Hostettler
Hutchinson
Isakson
Jenkins
Kingston
Kuykendall
Latham
Leach
Lewis (KY)
Linder
Maloney (NY)
McCollum
McCrery
McGovern
McInnis
McIntosh
McKeon
McNulty
Metcalf
Miller, Gary
Morella
Myrick
Nadler
Nethercutt
Norwood
Nussle
Ose
Packard
Paul
Peterson (MN)
Riley
Rogers
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Scarborough
Sessions
Shadegg
Shuster
Simpson
Slaughter
Smith (MI)
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Taylor (NC)
Terry
Thornberry
Thune
Tiahrt
Toomey
Upton
Walden
Weldon (FL)
Weller
Wicker

NOES—313

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bereuter
Berkley
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Bonior
Bono
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Calvert
Camp
Campbell
Canady
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clay
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Graham
Granger
Green (WI)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
LaTourette
Lazio
Lee
Levin
Lewis (CA)
Lewis (GA)
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McHugh
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Napolitano
Neal
Ney
Northup
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pease
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogan
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Vitter
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Wexler
Weygand
Whitfield
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—7

Borski
Brown (CA)
Chenoweth
Fossella
Green (TX)
Lipinski
Pelosi

□ 2040

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 8 OFFERED BY MRS. ROUKEMA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment No. 8 offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 407, noes 20, not voting 7, as follows:

[Roll No. 271]

AYES—407

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
Delahunt
DeLauro
DeLay
DeMint
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz

Ose
Owens
Oxley
Packard
Pascrell
Paul
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOES—20

DeGette
Deutsch
Dingell
Engel
Hill (MT)
Larson
Luther
Markey
Martinez
McCarthy (MO)
McKinney
Pallone
Pastor
Rangel
Rivers
Rush
Sanchez
Stark
Towns
Wynn

NOT VOTING—7

Borski
Brown (CA)
Diaz-Balart
Fossella
Green (TX)
Lipinski
Pelosi

□ 2048

Mr. LUTHER changed his vote from ''aye'' to ''no.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider Amendment No. 9 printed in House Report 106–214.

AMENDMENT NO. 9 OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. WATT of North Carolina:

Page 325, line 25, strike the ''or'' after the semicolon.

Page 326, line 4, strike the period and insert ''; or''.

Page 326, after line 4, insert the following new subparagraph:

''(C) in the case of an institution or subsidiary at which insurance products are sold or offered for sale, the fact that—

''(i) the approval of an extension of credit to a customer by the institution or subsidiary may not be conditioned on the purchase of an insurance product by such customer from the institution or subsidiary; and

''(ii) the customer is free to purchase the insurance product from another source.''.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 5 minutes.

Madam Chairman, I claim the time on the other side.

The CHAIRMAN. Is the gentleman in opposition?

Mr. HILL of Montana. I am momentarily leaning against this amendment, however I am persuadable.

The CHAIRMAN. The gentleman from Montana will be recognized for 5 minutes.

Mr. WATT of North Carolina. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, this amendment is noncontroversial, I believe, and I hope that there is no opposition to it.

In this day in which we are moving toward allowing banks and insurance companies and securities companies to come together into one corporation, the concern that I hear more often than any other concern as I talk to constituents is a concern that when they go to borrow money from a bank, that bank will require them as a condition of getting the loan to use other services that are being brought into this umbrella such as requiring them to purchase insurance from a subsidiary of the bank or an affiliate of the bank, and of course that would be extremely unfair and put the customer at a disadvantage and would put the financial institution at a substantial advantage if they could require as a condition of getting a loan that insurance be bought from one of the affiliated companies.

So in the Committee on Banking and Financial Services I offered this amendment. It passed overwhelmingly in the Committee on Banking and Financial Services, and for some reason when the bill was re-printed, it was not there. So I offered the amendment before the Committee on Rules to get this reinstated.

Let me be clear that this does not prohibit a bank from requiring insurance to be purchased in connection with a loan, because many loans are securitized with life insurance or other kinds of insurance, title insurance. What it says is that that lender cannot require that the customer obtain that insurance from one of its affiliates, and it should be clear that the customer is free to go to an unaffiliated company to obtain insurance if in fact that insurance is required as a condition of the loan.

Let me make one other quick point. This amendment becomes even more important in light of all of the discussions about privacy because if there is to be a sharing of information among affiliates, one of the things that will be able to be shared is the expiration dates on insurance policies, and that in and of itself is likely to put a subsidiary insurance company at an advantage because they may know when an insurance policy is expiring. All the more reason we need to make it absolutely explicitly clear that no customer can be required to purchase insurance from a subsidiary or affiliate of the lending company as a condition for getting the loan.

Madam Chairman, I reserve the balance of my time.

Mr. HILL of Montana. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, I first want to join with the chairman to state that I do support the amendment and compliment the gentleman from North Carolina (Mr. WATT) for bringing it forward. This bill is going to create new financial institutions, allow them to provide new services which will hopefully lower the cost to consumers and create greater competition, and in the end the consumers are going to benefit that.

But there is a serious concern, and that has to do with lending institutions who have the ability to exert undue influence, some would say even potentially coercive influence over their customers.

H.R. 10, this bill, substantially erodes the States' supervision over insurance sales. In fact, it defers to the Comptroller of the Currency with regard to the sale of insurance by national banks. And there is great concern on my part and others about this bill for that reason, and it is my hope that we will go beyond this amendment in conference to deal with this.

But it is extremely important, I think, that the House tonight assert the concept that lenders cannot exert this influence, tying sales of other services in order to influence a loan. Today in every State in the union that conduct is assured through the actions of insurance commissioners and state legislators. Unfortunately this law, H.R. 10 if it passes, will preempt that making that authority void.

I think it is important for Members in the Chamber then tonight to say that no consumer who is applying for a loan or any form of credit should mistakenly believe that their purchase of insurance, or any other service for that matter, from that lender will enhance their ability to get that loan and that credit.

I have a similar provision in this bill with regard to the conduct of the activity of title insurance, however it goes substantially further. It reasserts the State authority over the conduct of title insurance sales activity.

Again, I hope that the conferees will find a better solution than just this amendment, but I think it is essential tonight that the House make clear that

we want these protections for consumers in its place.

I would like to just speak briefly to the bill. I hope tonight that we will have an overwhelming support for this bill. I have some concerns about the State regulation of insurance and the structure of these new financial institutions, but it is essential that we modernize our financial institutions.

We have a trade surplus in services and substantially a consequence of our competitiveness in financial services, and if we want to maintain the jobs and the opportunities, the investment in our economy and the growth, then we need to have institutions that are competitive internationally.

Madam Chairman, I would urge all my colleagues to support this bill and to support this amendment.

Madam Chairman, I reserve the balance of my time.

Mr. WATT of North Carolina. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Madam Chairman, I rise in support of the amendment, and I thank the gentleman from North Carolina for offering it.

This provision was included within the product produced by the Committee on Banking and Financial Services as were a number of other important consumer protection provisions. The Committee on Rules permitted this amendment to be offered; that is good. They could have permitted the other consumer protection provisions that were included in the banking bill to come before the floor also; most importantly, the one prohibiting redlining by insurance companies that would affiliate with banks. They should not have permitted an amendment on an insurance provision on which there was never a hearing allowing the redomestication of mutual insurance companies in order to rip off the policyholders in order to satisfy the greed of the officers and directors of those mutual insurance companies.

Support the Watt amendment. Strongly oppose the Bliley amendment.

Mr. HILL of Montana. Madam Chairman, I yield 1 minute to the gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Madam Chairman, I thank the gentleman for yielding this time to me, and I would like to address briefly the Watt amendment. This is an extraordinarily thoughtful amendment brought by one of the most thoughtful Members of our body. Indeed, as chairman of the committee, I would like to say as strongly as I can I know of no more constructively involved member of the Committee on Banking and Financial Services or of this Congress than the gentleman from North Carolina (Mr. WATT), and I would urge support of this amendment. It makes good common sense.

□ 2100

Mr. WATT of North Carolina. Madam Chairman, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Madam Chairman, I would say to the gentleman from Iowa (Mr. LEACH) and the gentleman from North Carolina (Mr. WATT), the sponsor of this amendment, I stood here, having been a freshman member of the Committee on Banking and Financial Services, going through H.R. 10, and wondered what was in it for the consumer.

Under financial modernization, a bank can become an insurance company; an insurance company could become a bank? What would happen to the consumer?

Thank God, thanks to the leadership of our ranking member and the gentleman from North Carolina (Mr. WATT) and other members of the committee, there were consumer protection provisions like this one that said that even if I get a loan from bank A, I do not have to get my insurance from bank A.

So all the little old women walking into banks could say, someone is looking out for me.

I am pleased to stand here in favor, Madam Chairman, of this amendment. I stand here in support of this amendment believing it will help H.R. 10 get closer to the bill that came out of the Committee on Banking and Financial Services.

Mr. HILL of Montana. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I think what is important for all the Members in the Chamber to understand is that, without this amendment, H.R. 10, in essence, creates a void with regard to the regulation of insurance with regard to this activity, the potential course of sale of insurance or other services to loan customers of lending institutions.

So I would urge all of my colleagues to support this amendment.

Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. WATT).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 10 printed in House Report 106–214.

AMENDMENT NO. 10 OFFERED BY MR. BLILEY

Mr. BLILEY. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. BLILEY:

Page 327, after line 16, insert the following subsection (and redesignate subsequent subsections accordingly):

''(e) DOMESTIC VIOLENCE DISCRIMINATION PROHIBITION.—

''(1) IN GENERAL.—In the case of an applicant for, or an insured under, any insurance product described in paragraph (2), the status of the applicant or insured as a victim of domestic violence, or as a provider of services to victims of domestic violence, shall not be considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims, except as required or expressly permitted under State law.

''(2) SCOPE OF APPLICATION.—The prohibition contained in paragraph (1) shall apply to any insurance product which is sold or offered for sale, as principal, agent, or broker, by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution.

''(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, by the end of the 30-month period beginning on the date of the enactment of this Act, the States should enact prohibitions against discrimination with respect to insurance products that are at least as strict as the prohibitions contained in paragraph (1).

''(4) DOMESTIC VIOLENCE DEFINED.—For purposes of this subsection, the term 'domestic violence' means the occurrence of 1 or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:

''(A) Attempting to cause or causing or threatening another person physical harm, severe emotional distress, psychological trauma, rape, or sexual assault.

''(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm.

''(C) Subjecting another person to false imprisonment.

''(D) Attempting to cause or cause damage to property so as to intimidate or attempt to control the behavior of another person.

Page 336, after line 13, insert the following new subtitle (and redesignate subsequent subtitles and amend the table of contents accordingly):

Subtitle B—Redomestication of Mutual Insurers

SEC. 311. GENERAL APPLICATION.

This subtitle shall only apply to a mutual insurance company in a State which has not enacted a law which expressly establishes reasonable terms and conditions for a mutual insurance company domiciled in such State to reorganize into a mutual holding company.

SEC. 312. REDOMESTICATION OF MUTUAL INSURERS.

(a) REDOMESTICATION.—A mutual insurer organized under the laws of any State may transfer its domicile to a transferee domicile as a step in a reorganization in which, pursuant to the laws of the transferee domicile and consistent with the standards in subsection (f), the mutual insurer becomes a stock insurer that is a direct or indirect subsidiary of a mutual holding company.

(b) RESULTING DOMICILE.—Upon complying with the applicable law of the transferee domicile governing transfers of domicile and completion of a transfer pursuant to this section, the mutual insurer shall cease to be a domestic insurer in the transferor domicile and, as a continuation of its corporate existence, shall be a domestic insurer of the transferee domicile.

(c) LICENSES PRESERVED.—The certificate of authority, agents' appointments and licenses, rates, approvals and other items that a licensed State allows and that are in existence immediately prior to the date that a redomesticating insurer transfers its domicile pursuant to this subtitle shall continue in full force and effect upon transfer, if the insurer remains duly qualified to transact the business of insurance in such licensed State.

(d) EFFECTIVENESS OF OUTSTANDING POLICIES AND CONTRACTS.—

(1) IN GENERAL.—All outstanding insurance policies and annuities contracts of a redomesticating insurer shall remain in full force and effect and need not be endorsed as to the new domicile of the insurer, unless so ordered by the State insurance regulator of a licensed State, and then only in the case of outstanding policies and contracts whose owners reside in such licensed State.

(2) FORMS.—

(A) Applicable State law may require a redomesticating insurer to file new policy forms with the State insurance regulator of a licensed State on or before the effective date of the transfer.

(B) Notwithstanding subparagraph (A), a redomesticating insurer may use existing policy forms with appropriate endorsements to reflect the new domicile of the redomesticating insurer until the new policy forms are approved for use by the State insurance regulator of such licensed State.

(e) NOTICE.—A redomesticating insurer shall give notice of the proposed transfer to the State insurance regulator of each licensed State and shall file promptly any resulting amendments to corporate documents required to be filed by a foreign licensed mutual insurer with the insurance regulator of each such licensed State.

(f) PROCEDURAL REQUIREMENTS.—No mutual insurer may redomesticate to another State and reorganize into a mutual holding company pursuant to this section unless the State insurance regulator of the transferee domicile determines that the plan of reorganization of the insurer includes the following requirements:

(1) APPROVAL BY BOARD OF DIRECTORS AND POLICYHOLDERS.—The reorganization is approved by at least a majority of the board of directors of the mutual insurer and at least a majority of the policyholders who vote after notice, disclosure of the reorganization and the effects of the transaction on policyholder contractual rights, and reasonable opportunity to vote, in accordance with such notice, disclosure, and voting procedures as are approved by the State insurance regulator of the transferee domicile.

(2) CONTINUED VOTING CONTROL BY POLICYHOLDERS; REVIEW OF PUBLIC STOCK OFFERING.—After the consummation of a reorganization, the policyholders of the reorganized insurer shall have the same voting rights with respect to the mutual holding company as they had before the reorganization with respect to the mutual insurer. With respect to an initial public offering of stock, the offering shall be conducted in compliance with applicable securities laws and in a manner approved by the State insurance regulator of the transferee domicile.

(3) AWARD OF STOCK OR GRANT OF OPTIONS TO OFFICERS AND DIRECTORS.—For a period of 6 months after completion of an initial public offering, neither a stock holding company nor the converted insurer shall award any stock options or stock grants to persons who are elected officers or directors of the mutual holding company, the stock holding company, or the converted insurer, except with respect to any such awards or options to which a person is entitled as a policyholder and as approved by the State insurance regulator of the transferee domicile.

(4) CONTRACTUAL RIGHTS.—Upon reorganization into a mutual holding company, the contractual rights of the policyholders are preserved.

(5) FAIR AND EQUITABLE TREATMENT OF POLICYHOLDERS.—The reorganization is approved as fair and equitable to the policyholders by the insurance regulator of the transferee domicile.

SEC. 313. EFFECT ON STATE LAWS RESTRICTING REDOMESTICATION.

(a) IN GENERAL.—Unless otherwise permitted by this subtitle, State laws of any transferor domicile that conflict with the purposes and intent of this subtitle are preempted, including but not limited to—

(1) any law that has the purpose or effect of impeding the activities of, taking any action against, or applying any provision of law or regulation to, any insurer or an affiliate of such insurer because that insurer or any affiliate plans to redomesticate, or has redomesticated, pursuant to this subtitle;

(2) any law that has the purpose or effect of impeding the activities of, taking action against, or applying any provision of law or regulation to, any insured or any insurance licensee or other intermediary because such person has procured insurance from or placed insurance with any insurer or affiliate of such insurer that plans to redomesticate, or has redomesticated, pursuant to this subtitle, but only to the extent that such law would treat such insured licensee or other intermediary differently than if the person procured insurance from, or placed insurance with, an insured licensee or other intermediary which had not redomesticated;

(3) any law that has the purpose or effect of terminating, because of the redomestication of a mutual insurer pursuant to this subtitle, any certificate of authority, agent appointment or license, rate approval, or other approval, of any State insurance regulator or other State authority in existence immediately prior to the redomestication in any State other than the transferee domicile.

(b) DIFFERENTIAL TREATMENT PROHIBITED.—No State law, regulation, interpretation, or functional equivalent thereof, of a State other than a transferee domicile may treat a redomesticating or redomesticated insurer or any affiliate thereof any differently than an insurer operating in that State that is not a redomesticating or redomesticated insurer.

(c) LAWS PROHIBITING OPERATIONS.—If any licensed State fails to issue, delays the issuance of, or seeks to revoke an original or renewal certificate of authority of a redomesticated insurer immediately following redomestication, except on grounds and in a manner consistent with its past practices regarding the issuance of certificates of authority to foreign insurers that are not redomesticating, then the redomesticating insurer shall be exempt from any State law of the licensed State to the extent that such State law or the operation of such State law would make unlawful, or regulate, directly or indirectly, the operation of the redomesticated insurer, except that such licensed State may require the redomesticated insurer to—

(1) comply with the unfair claim settlement practices law of the licensed State;

(2) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on licensed insurers or policyholders under the laws of the licensed State;

(3) register with and designate the State insurance regulator as its agent solely for the purpose of receiving service of legal documents or process;

(4) submit to an examination by the State insurance regulator in any licensed state in which the redomesticated insurer is doing business to determine the insurer's financial condition, if—

(A) the State insurance regulator of the transferee domicile has not begun an examination of the redomesticated insurer and has not scheduled such an examination to begin before the end of the 1-year period beginning on the date of the redomestication; and

(B) any such examination is coordinated to avoid unjustified duplication and repetition;

(5) comply with a lawful order issued in—

(A) a delinquency proceeding commenced by the State insurance regulator of any licensed State if there has been a judicial finding of financial impairment under paragraph (7); or

(B) a voluntary dissolution proceeding;

(6) comply with any State law regarding deceptive, false, or fraudulent acts or practices, except that if the licensed State seeks an injunction regarding the conduct described in this paragraph, such injunction must be obtained from a court of competent jurisdiction as provided in section 314(a);

(7) comply with an injunction issued by a court of competent jurisdiction, upon a petition by the State insurance regulator alleging that the redomesticating insurer is in hazardous financial condition or is financially impaired;

(8) participate in any insurance insolvency guaranty association on the same basis as any other insurer licensed in the licensed State; and

(9) require a person acting, or offering to act, as an insurance licensee for a redomesticated insurer in the licensed State to obtain a license from that State, except that such State may not impose any qualification or requirement that discriminates against a nonresident insurance licensee.

SEC. 314. OTHER PROVISIONS.

(a) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over litigation arising under this section involving any redomesticating or redomesticated insurer.

(b) SEVERABILITY.—If any provision of this section, or the application thereof to any person or circumstances, is held invalid, the remainder of the section, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 315. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) COURT OF COMPETENT JURISDICTION.—The term ''court of competent jurisdiction'' means a court authorized pursuant to section 314(a) to adjudicate litigation arising under this subtitle.

(2) DOMICILE.—The term ''domicile'' means the State in which an insurer is incorporated, chartered, or organized.

(3) INSURANCE LICENSEE.—The term ''insurance licensee'' means any person holding a license under State law to act as insurance agent, subagent, broker, or consultant.

(4) INSTITUTION.—The term ''institution'' means a corporation, joint stock company, limited liability company, limited liability partnership, association, trust, partnership, or any similar entity.

(5) LICENSED STATE.—The term ''licensed State'' means any State, the District of Columbia, American Samoa, Guam, Puerto

Rico, or the United States Virgin Islands in which the redomesticating insurer has a certificate of authority in effect immediately prior to the redomestication.

(6) MUTUAL INSURER.—The term ''mutual insurer'' means a mutual insurer organized under the laws of any State.

(7) PERSON.—The term ''person'' means an individual, institution, government or governmental agency, State or political subdivision of a State, public corporation, board, association, estate, trustee, or fiduciary, or other similar entity.

(8) POLICYHOLDER.—The term ''policyholder'' means the owner of a policy issued by a mutual insurer, except that, with respect to voting rights, the term means a member of a mutual insurer or mutual holding company granted the right to vote, as determined under applicable State law.

(9) REDOMESTICATED INSURER.—The term ''redomesticated insurer'' means a mutual insurer that has redomesticated pursuant to this subtitle.

(10) REDOMESTICATING INSURER.—The term ''redomesticating insurer'' means a mutual insurer that is redomesticating pursuant to this subtitle.

(11) REDOMESTICATION OR TRANSFER.—The terms ''redomestication'' and ''transfer'' mean the transfer of the domicile of a mutual insurer from one State to another State pursuant to this subtitle.

(12) STATE INSURANCE REGULATOR.—The term ''State insurance regulator'' means the principal insurance regulatory authority of a State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands.

(13) STATE LAW.—The term ''State law'' means the statutes of any State, the District of Columbia, American Samoa, Guam, Puerto Rico, or the United States Virgin Islands and any regulation, order, or requirement prescribed pursuant to any such statute.

(14) TRANSFEREE DOMICILE.—The term ''transferee domicile'' means the State to which a mutual insurer is redomesticating pursuant to this subtitle.

(15) TRANSFEROR DOMICILE.—The term ''transferor domicile'' means the State from which a mutual insurer is redomesticating pursuant to this subtitle.

SEC. 316. EFFECTIVE DATE.

This subtitle shall take effect on the date of the enactment of this Act.

PARLIAMENTARY INQUIRY

Mr. VENTO. Madam Chairman, parliamentary inquiry.

Madam Chairman, is it possible to have this amendment divided by unanimous consent?

The CHAIRMAN. Under the rule, the amendment is not divisible; and the Committee cannot alter that feature of the rule.

Mr. VENTO. Even though these are separate topics, completely separate topics, in the amendment?

The CHAIRMAN. It is not in order under the rule, even by unanimous consent.

Mr. LAFALCE. Even though it is not in order under the rule that we oppose, could we not divide it if there were unanimous consent?

The CHAIRMAN. The Committee of the Whole cannot change the rule.

Mr. LAFALCE. Could we have unanimous consent to rise and then ask unanimous consent to go into the full House and then request a division of this amendment into two parts?

Mr. BLILEY. I object.

The CHAIRMAN. No request has been made.

MOTION OFFERED BY MR. LAFALCE

Mr. LAFALCE. Madam Chairman, I move that the Committee do now rise for the purpose aforestated.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York (Mr. LAFALCE).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LAFALCE. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 232, not voting 23, as follows:

[Roll No. 272]

AYES—179

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dixon
Doggett
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Peterson (MN)
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Scott
Serrano
Sherman
Shows
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu

NOES—232

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Cook
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dingell
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, George
Minge
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Ose
Oxley
Packard
Pastor
Paul
Pease
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Portman
Pryce (OH)
Quinn
Rahall
Ramstad
Regula
Reynolds
Riley
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NOT VOTING—23

Baldacci
Barton
Borski
Brown (CA)
Clay
Combest
Dicks
Dooley
Doyle
Fossella
Green (TX)
Gutierrez
Holden
Lipinski
Menendez
Miller, Gary
Nussle
Pelosi
Pombo
Porter
Radanovich
Rogan
Sawyer

□ 2124

Mrs. MYRICK, Mr. GUTKNECHT, Mr. GREENWOOD, and Mrs. MORELLA changed their vote from ''aye'' to ''no.''

Mr. HOEFFEL, Mr. DAVIS of Illinois, Ms. SANCHEZ, and Ms. MCKINNEY changed their vote from ''no'' to ''aye.''

So the motion to rise was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from Virginia (Mr. BLILEY) and a Member opposed each will control 5 minutes.

Mr. LAFALCE. Madam Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) will be recognized to control the time in opposition.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Madam Chairman, I yield myself 1½ minutes.

Madam Chairman, this amendment is simple and straightforward. It does only two things. First, it prohibits banks from discriminating against victims of domestic violence and insurance sales.

The majority of States already have laws preventing discrimination against victims of domestic violence. However, H.R. 10 would allow Federal banking regulators to preempt a number of State consumer protection laws, and in addition, a few States have not yet acted on this issue.

This amendment would not preempt State laws, but ensures where no protections for domestic violence victims existed or where the banking regulators were trying to preempt such laws, the domestic violence victims will be protected.

Second, the bill would allow mutual insurance companies to redomesticate and reorganize into a mutual holding company or into a stock company. Without the redomestication provision, mutual insurance companies will be placed at a severe disadvantage in raising capital and competing with other financial holding companies.

It only takes effect in States that have not enacted laws governing mutual holding companies, and it requires approval from the insurance regulator that the company has met numerous specific consumer protections.

Madam Chairman, I yield 1½ minutes to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Madam Chairman, I rise in reluctant support of the Bliley amendment. I guess I am pleased, if a little bit puzzled, that this amendment has been coupled, the domestic violence amendment has been coupled with redomestication of mutual insurers. I think the only two things that are the same in these concepts are the word ''domestic.''

□ 2130

But the reason I support this amendment is because it is extremely important to millions of domestic violence victims around this country, many of them women who have been discriminated against, unbelievably, in insurance company underwriting and in claims processing and in rates.

We have a woman in Colorado, for example, whose husband tried to murder her by burning down their house. She was almost killed, but she survived. When the insurance company got the claim, they only paid 50 percent because they said she was 50 percent responsible for the house burning down because she was a domestic violence victim.

I am disappointed, frankly, that the Committee on Rules did not make in order my amendment with the gentleman from Ohio (Mr. Oxley), a stand alone amendment, which was unanimously supported in the Committee on Commerce, which passed this House last year as part of the House bill, and went on to the Senate. I am saddened that that was not done in its own right. But, frankly, it was not. So, to me, it is important for the millions of domestic violence victims to pass this amendment.

Mr. LAFALCE. Madam Chairman, I yield myself 2 minutes.

Madam Chairman, this amendment is a travesty and should be opposed. It is absolutely outrageous that the Committee on Rules has permitted the combination of prohibitions against discrimination because of domestic violence with redomestication of mutual insurance companies.

My colleagues would get 100 percent of this body to vote for the prohibition with respect to domestic violence, and they know that. No one should vote for the redomestication of mutual insurance company, and that is the only reason the gentleman from Virginia (Mr. BLILEY) has combined them, because no one would vote for his amendment if it were standing by itself.

Why? Because greed is involved. Greed on the part of the officers and directors of the mutual insurance companies.

Why? Because theft is involved. Theft is involved of the ownership right of, not millions, but tens of millions of policy holders, women and men and children, et cetera. One is stealing their rights by this Federal law.

Why? Because this is an anti-States rights amendment. That is why the National Conference of State Legislatures have said, do not pass this amendment. We recognize the provisions of domestic violence. We love those. But we do not want you to infringe on our rights.

The gentleman from Virginia said, well, if the State has got a mutual holding company provision, it does not apply. Well, New York does not. Massachusetts does not. Countless other States do not. The gentleman would override theirs.

The gentleman said, well, the State insurance regulator has to approve. Not of the host States, just of the States they want to go to. They will pick the worst State in the Union, they will go to that State, and, of course, the insurance regulator will permit it. They will do anything to get a domestic, a mutual insurance company to relocate so long as they can satisfy the officers and directors.

There is no good reason for it. There has been no hearing on it. It has absolutely no relationship to financial services modernization. It has absolutely no relationship to affiliation. What is this? It is a pay off to the mutual insurance industry. No more. No less.

Mr. BLILEY. Madam Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Madam Chairman, I rise today in support of the amendment of the gentleman from Virginia (Mr. BLILEY) to put this redomestication provision back in this legislation. This is a technical issue, and I think I want to try to clarify what this amendment seeks to do.

Mutual insurance companies are essentially cooperatives and they have no stockholders, only policy holders. A mutual company may own the stock of the subsidiary, but, having no shareholders, it is confined to lower subsidiaries if they want to diversify.

This structure imposes serious limitations on the ability of a mutual company to make significant acquisitions in order to stay competitive. In addition, a mutual insurer cannot sell stock, thereby limiting its ability to raise capital to diversify.

Taken together, these factors place mutual insurers at a substantial disadvantage in an affiliated environment such as H.R. 10 allows for.

While State laws generally permit insurers to move their base, States are capable of imposing significant practical barriers to redomestication. I do not believe that a mutual insurer's ability to participate fully in an affiliated financial services environment should depend solely on the State where they are based.

It is for these reasons I believe we should support this amendment.

Mr. LAFALCE. Madam Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Madam Chairman, this is the most shameful abuse of the democratic process I have ever seen. My colleagues have an effort not to stop the insurance company from demutualizing, but simply to require them to abide by the State law where they were chartered and their contract with their policy holders.

The gentleman from Virginia is not saying they should be able to demutualize, he is saying they should be able to do it without sharing with the policyholders what they pledged to the policyholders they would do when

they sold them the policy. That is so hard to defend that he is literally hiding behind battered women.

Why are these together? Domestic violence and redomestication? I am surprised the gentleman does not have in there housebreaking one's dog for domestic animals because that is all it has got in common.

The gentleman has something so bad it cannot stand on its own. He is asking to give permission to the mutual insurance companies. What the gentlewoman from New York (Mrs. KELLY) said is completely irrelevant. No one is trying to stop them from demutualizing.

They now have to, in certain States, demutualize in accordance with the rules of that State where they were chartered and in accordance with what they promise the policyholders. This is a license for them to avoid States rights, break the rules that they have for policyholders, and the gentleman shamefully does it by hiding behind the victims of domestic violence.

Mr. BLILEY. Madam Chairman, I yield the balance of my time to the gentleman from New York (Mr. TOWNS).

Mr. TOWNS. Madam Chairman, let me say that, first of all, the argument is the Committee on Rules. My colleagues point to the fact that the Committee on Rules did it again. That is what they are really saying. But I do not think that my colleagues should forget about what we are dealing with here. We are talking about two things, domestic violence and redomestication. I think that these issues are very, very important.

Also, I want to talk about the fact that insurance, the last time I heard, was under the jurisdiction of the Committee on Commerce. I mean, unless something changed over the last 24 hours, the Committee on Commerce had jurisdiction over insurance. So, therefore, I think that the Committee on Commerce here really has a lot to say about this issue.

I think that the other thing that I would like to just sort of talk about, mutual insurance companies would be placed at a severe disadvantage in terms of raising capital. I think that capital is very, very important. This amendment corrects that. I think that we need to make certain that that is done. I think that is important that we do that.

Let me say to my colleagues that I think this is a good amendment, and I urge support of it.

Mr. LaFALCE. Madam Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Madam Chairman, I rise in opposition to particularly the last part of this amendment. It really is a real disservice to mutual policyholders, who are owners of the insurance company. To allow an insurance company to take the assets and convert to a stock company puts those policyholders at a real disadvantage.

Now, I had some experience with this. The last case that I ever handled in the practice of law was one of these cases where a mutual company, without the authorization of the insureds, tried to do this very thing. They ended up understating the value of the assets. They were not going to give the insurance policyholders one dime until we got involved, and they ended up paying them millions of dollars.

I think this is a bad idea, and we should vote against this amendment.

Mr. LaFALCE. Madam Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. BARRETT) for closure.

Mr. BARRETT of Wisconsin. Madam Chairman, the States rights, States rights, States rights. Where are they? Where are the States rights?

We have got all these elected officials at the State level, and we do not trust them. Because if they refuse to pass a law that the mutual insurance companies like, we are going to just allow them to pack up and move out of State.

This is the most hypocritical amendment for advocates of States rights that I have seen in this Chamber. How anybody can vote for this amendment and claim they are in favor of States rights defies logic.

It is a rip-off. It is a rip-off to shareholders and for stockholders and mutual insurance policyholders who bought those policies because they would be owners of that company. It rips them off. It is wrong, wrong, wrong.

It is unfortunate that it is being hidden behind battered women. That is disgusting. This amendment should be voted down. We should do it right, provide protection for the battered women, and not allow this dangerous rip-off.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Virginia (Mr. BLILEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BLILEY. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentleman from Virginia will be postponed.

It is now in order to consider amendment No. 11 printed in House Report 106–214.

AMENDMENT NO. 11 OFFERED BY MR. OXLEY

Mr. OXLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. OXLEY:

Page 378, beginning on line 16, strike subtitle A of title V and insert the following (and conform the table of contents accordingly):

Subtitle A—Disclosure of Nonpublic Personal Information

SEC. 501. PROTECTION OF NONPUBLIC PERSONAL INFORMATION.

(a) PRIVACY OBLIGATION POLICY.—It is the policy of the Congress that each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information.

(b) FINANCIAL INSTITUTIONS SAFEGUARDS.—In furtherance of the policy in subsection (a), each agency or authority described in section 505(a) shall establish appropriate standards for the financial institutions subject to their jurisdiction relating to administrative, technical, and physical safeguards—

(1) to insure the security and confidentiality of customer records and information;

(2) to protect against any anticipated threats or hazards to the security or integrity of such records; and

(3) to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

SEC. 502. OBLIGATIONS WITH RESPECT TO DISCLOSURES OF PERSONAL INFORMATION.

(a) NOTICE REQUIREMENTS.—Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose to a nonaffiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with section 503(b).

(b) OPT OUT.—

(1) IN GENERAL.—A financial institution may not disclose nonpublic personal information to nonaffiliated third parties unless—

(A) such financial institution clearly and conspicuously discloses to the consumer, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), that such information may be disclosed to such third parties;

(B) the consumer is given the opportunity, before the time that such information is initially disclosed, to direct that such information not be disclosed to such third parties; and

(C) the consumer is given an explanation of how the consumer can exercise that nondisclosure option.

(2) EXCEPTION.—This subsection shall not prevent a financial institution from providing nonpublic personal information to a nonaffiliated third party to perform services or functions on behalf of the financial institution, including marketing of the financial institution's own products or services or financial products or services offered pursuant to joint agreements between two or more financial institutions that comply with the requirements imposed by the regulations prescribed under section 504, if the financial institution fully discloses the providing of such information and enters into a contractual agreement with the third party that requires the third party to maintain the confidentiality of such information.

(c) LIMITS ON REUSE OF INFORMATION.—Except as otherwise provided in this subtitle, a nonaffiliated third party that receives from

a financial institution nonpublic personal information under this section shall not, directly or through an affiliate of such receiving third party, disclose such information to any other person that is a nonaffiliated third party of both the financial institution and such receiving third party, unless such disclosure would be lawful if made directly to such other person by the financial institution.

(d) LIMITATIONS ON THE SHARING OF ACCOUNT NUMBER INFORMATION FOR MARKETING PURPOSES.—A financial institution shall not disclose an account number or similar form of access number or access code for a credit card account, deposit account, or transaction account of a consumer to any nonaffiliated third party for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

(e) GENERAL EXCEPTIONS.—Subsections (a) and (b) shall not prohibit the disclosure of nonpublic personal information—

(1) as necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, or in connection with—

(A) servicing or processing a financial product or service requested or authorized by the consumer;

(B) maintaining or servicing the consumer's account with the financial institution; or

(C) a proposed or actual securitization, secondary market sale (including sales of servicing rights), or similar transaction related to a transaction of the consumer;

(2) with the consent or at the direction of the consumer;

(3) to protect the confidentiality or security of its records pertaining to the consumer, the service or product, or the transaction therein, or to protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability, for required institutional risk control, or for resolving customer disputes or inquiries, or to persons holding a beneficial interest relating to the consumer, or to persons acting in a fiduciary capacity on behalf of the consumer;

(4) to provide information to insurance rate advisory organizations, guaranty funds or agencies, applicable rating agencies of the financial institution, persons assessing the institution's compliance with industry standards, and the institution's attorneys, accountants, and auditors;

(5) to the extent specifically permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978, to law enforcement agencies (including a Federal functional regulator, a State insurance authority, or the Federal Trade Commission), self-regulatory organizations, or for an investigation on a matter related to public safety;

(6) to a consumer reporting agency in accordance with the Fair Credit Reporting Act, or in accordance with interpretations of such Act by the Board of Governors of the Federal Reserve System or the Federal Trade Commission, including interpretations published as commentary (16 C.F.R. 601-622);

(7) in connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of such business or unit; or

(8) to comply with Federal, State, or local laws, rules, and other applicable legal requirements; to comply with a properly authorized civil, criminal, or regulatory investigation or subpoena by Federal, State, or local authorities; or to respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance, or other purposes as authorized by law.

SEC. 503. DISCLOSURE OF INSTITUTION PRIVACY POLICY.

(a) DISCLOSURE REQUIRED.—A financial institution shall clearly and conspicuously disclose to each consumer, at the time of establishing the customer relationship with the consumer and not less than annually, in writing or in electronic form (or other form permitted by the regulations prescribed under section 504), its policies and practices with respect to protecting the nonpublic personal information of consumers in accordance with the rules prescribed under section 504.

(b) INFORMATION TO BE INCLUDED.—The disclosure required by subsection (a) shall include—

(1) the policy and practices of the institution with respect to disclosing nonpublic personal information to nonaffiliated third parties, other than agents of the institution, consistent with section 502 of this subtitle, and including—

(A) the categories of persons to whom the information is or may be disclosed, other than the persons to whom the information may be provided pursuant to section 502(e); and

(B) the practices and policies of the institution with respect to disclosing of nonpublic personal information of persons who have ceased to be customers of the financial institution;

(2) the categories of nonpublic personal information that are collected by the financial institution;

(3) the policies that the institution maintains to protect the confidentiality and security of nonpublic personal information in accordance with section 501; and

(4) the disclosures required, if any, under section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act.

SEC. 504. RULEMAKING.

(a) REGULATORY AUTHORITY.—The Federal banking agencies, the National Credit Union Association, the Secretary of the Treasury, and the Securities and Exchange Commission, shall jointly prescribe, after consultation with the Federal Trade Commission, and representatives of State insurance authorities designated by the National Association of Insurance Commissioners, such regulations as may be necessary to carry out the purposes of this subtitle. Such regulations shall be prescribed in accordance with applicable requirements of the title 5, United States Code, and shall be issued in final form within 6 months after the date of enactment of this Act.

(b) AUTHORITY TO GRANT EXCEPTIONS.—The regulations prescribed under subsection (a) may include such additional exceptions to subsections (a) and (b) of section 502 as are deemed consistent with the purposes of this subtitle.

SEC. 505. ENFORCEMENT.

(a) IN GENERAL.—This subtitle and the rules prescribed thereunder shall be enforced by the Federal functional regulators, the State insurance authorities, and the Federal Trade Commission with respect to financial institutions subject to their jurisdiction under applicable law, as follows:

(1) Under section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, Federal branches and Federal agencies of foreign banks, and any subsidiaries of such entities, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act, bank holding companies and their nonbank subsidiaries or affiliates (except broker-dealers, affiliates providing insurance, investment companies, and investment advisers), by the Board of Governors of the Federal Reserve System;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), insured State branches of foreign banks, and any subsidiaries of such entities, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) savings association the deposits of which are insured by the Federal Deposit Insurance Corporation, and any subsidiaries of such a savings association, by the Director of the Office of Thrift Supervision.

(2) Under the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal or state chartered credit union, and any subsidiaries of such an entity.

(3) Under the Farm Credit Act of 1971, by the Farm Credit Administration with respect to the Federal Agricultural Mortgage Corporation, any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(4) Under the Securities Exchange Act of 1934, by the Securities and Exchange Commission with respect to any broker-dealer.

(5) Under the Investment Company Act of 1940, by the Securities and Exchange Commission with respect to investment companies.

(6) Under the Investment Advisers Act of 1940, by the Securities and Exchange Commission with respect to investment advisers registered with the Commission under such Act.

(7) Under Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U. S. C. 4501 et seq.), by the Office of Federal Housing Enterprise Oversight with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(8) Under the Federal Home Loan Bank Act, by the Federal Housing Finance Board with respect to Federal home loan banks.

(9) Under State insurance law, in the case of any person engaged in providing insurance, by the State insurance authority of the State in which the person is domiciled, subject to section 104 of this Act.

(10) Under the Federal Trade Commission Act, by the Federal Trade Commission for any other financial institution that is not subject to the jurisdiction of any agency or authority under paragraphs (1) through (9) of this subsection.

(b) ENFORCEMENT OF SECTION 501.—

(1) IN GENERAL.—Except as provided in paragraph (2), the agencies and authorities described in subsection (a) shall implement the standards prescribed under section 501(b) in the same manner, to the extent practicable, as standards prescribed pursuant to subsection (a) of section 39 of the Federal Deposit Insurance Act are implemented pursuant to such section.

(2) EXCEPTION.—The agencies and authorities described in paragraphs (4), (5), (6), (9),

and (10) of subsection (a) shall implement the standards prescribed under section 501(b) by rule with respect to the financial institutions subject to their respective jurisdictions under subsection (a).

(c) DEFINITIONS.—The terms used in subsection (a)(1) that are not defined in this subtitle or otherwise defined in section 3(s) of the Federal Deposit Insurance Act shall have the meaning given to them in section 1(b) of the International Banking Act of 1978.

SEC. 506. FAIR CREDIT REPORTING ACT AMENDMENT.

(a) AMENDMENT.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended—

(1) in subsection (d), by striking everything following the end of the second sentence; and

(2) by striking subsection ''(e)'' and inserting in lieu thereof the following:

''(e) REGULATORY AUTHORITY.—

''(1) The Federal banking agencies referred to in paragraphs (1) and (2) of subsection (b) shall jointly prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraphs (1) and (2) of subsection (b), or to the holding companies and affiliates of such persons.

''(2) The Administrator of the National Credit Union Administration shall prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraph (3) of subsection (b).''.

(b) CONFORMING AMENDMENT.—Section 621(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)) is amended by striking paragraph (4).

SEC. 507. RELATION TO OTHER PROVISIONS.

This subtitle shall not apply to any information to which subtitle D of title III applies.

SEC. 508. STUDY OF INFORMATION SHARING AMONG FINANCIAL AFFILIATES.

(a) IN GENERAL.—The Secretary of the Treasury, in conjunction with the Federal functional regulators and the Federal Trade Commission, shall conduct a study of information sharing practices among financial institutions and their affiliates. Such study shall include—

(1) the purposes for the sharing of confidential customer information with affiliates or with nonaffiliated third parties;

(2) the extent and adequacy of security protections for such information;

(3) the potential risks for customer privacy of such sharing of information;

(4) the potential benefits for financial institutions and affiliates of such sharing of information;

(5) the potential benefits for customers of such sharing of information;

(6) the adequacy of existing laws to protect customer privacy;

(7) the adequacy of financial institution privacy policy and privacy rights disclosure under existing law;

(8) the feasibility of different approaches, including opt-out and opt-in, to permit customers to direct that confidential information not be shared with affiliates and nonaffiliated third parties; and

(9) the feasibility of restricting sharing of information for specific uses or of permitting customers to direct the uses for which information may be shared.

(b) CONSULTATION.—The Secretary shall consult with representatives of State insurance authorities designated by the National Association of Insurance Commissioners, and also with financial services industry, consumer organizations and privacy groups, and other representatives of the general public, in formulating and conducting the study required by subsection (a).

(c) REPORT.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report to the Congress containing the findings and conclusions of the study required under subsection (a), together with such recommendations for legislative or administrative action as may be appropriate.

SEC. 509. DEFINITIONS.

As used in this subtitle:

(1) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the meanings given to such terms in section 3 of the Federal Deposit Insurance Act.

(2) FEDERAL FUNCTIONAL REGULATOR.—The term ''Federal functional regulator'' means—

(A) the Board of Governors of the Federal Reserve System;

(B) the Office of the Comptroller of the Currency;

(C) the Board of Directors of the Federal Deposit Insurance Corporation;

(D) the Director of the Office of Thrift Supervision;

(E) the National Credit Union Administration Board;

(F) the Farm Credit Administration; and

(G) the Securities and Exchange Commission.

(3) FINANCIAL INSTITUTION.—The term ''financial institution'' means any institution the business of which is engaging in financial activities or activities that are incidental to financial activities, as described in section 6(c) of the Bank Holding Company Act of 1956.

(4) NONPUBLIC PERSONAL INFORMATION.—

(A) The term ''nonpublic personal information'' means personally identifiable financial information—

(i) provided by a consumer to a financial institution;

(ii) resulting from any transaction with the consumer or the service performed for the consumer; or

(iii) otherwise obtained by the financial institution.

(B) Such term does not include publicly available information, as such term is defined by the regulations prescribed under section 504.

(C) Notwithstanding subparagraph (B), such term shall include any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable information other than publicly available information.

(5) NONAFFILIATED THIRD PARTIES.—The term ''nonaffiliated third parties'' means any entity that is not an affiliate of, or related by common ownership or affiliated by corporate control with, the financial institution, but does not include a joint employee of such institution.

(6) AFFILIATE.—The term ''affiliate'' means any company that controls, is controlled by, or is under common control with another company.

(7) NECESSARY TO EFFECT, ADMINISTER, OR ENFORCE.—The term ''as necessary to effect, administer or enforce the transaction'' means—

(A) the disclosure is required, or is a usual, appropriate or acceptable method, to carry out the transaction or the product or service business of which the transaction is a part, and record or service or maintain the consumer's account in the ordinary course of providing the financial service or financial product, or to administer or service benefits or claims relating to the transaction or the product or service business of which it is a part, and includes—

(i) providing the consumer or the consumer's agent or broker with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product; and

(ii) the accrual or recognition of incentives or bonuses associated with the transaction that are provided by the financial institution or any other party;

(B) the disclosure is required, or is one of the lawful or appropriate methods, to enforce the rights of the financial institution or of other persons engaged in carrying out the financial transaction, or providing the product or service;

(C) the disclosure is required, or is a usual, appropriate, or acceptable method, for insurance underwriting at the consumer's request or for reinsurance purposes, or for any of the following purposes as they relate to a consumer's insurance: account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium payments, processing insurance claims, administering insurance benefits (including utilization review activities), participating in research projects, or as otherwise required or specifically permitted by Federal or State law; or

(D) the disclosure is required, or is a usual, appropriate or acceptable method, in connection with—

(i) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check, or account number, or by other payment means;

(ii) the transfer of receivables, accounts or interests therein; or

(iii) the audit of debit, credit or other payment information.

(8) STATE INSURANCE AUTHORITY.—The term ''State insurance authority'' means, in the case of any person engaged in providing insurance, the State insurance authority of the State in which the person is domiciled.

(9) CONSUMER.—The term ''consumer'' means an individual who obtains, from a financial institution, financial products or services which are to be used primarily for personal, family, or household purposes, and also means the legal representative of such an individual.

(10) JOINT AGREEMENT.—The term ''joint agreement'' means a formal written contract pursuant to which two or more financial institutions jointly offer, endorse, or sponsor a financial product or service, and any payments between the parties are based on business or profit generated.

SEC. 510. EFFECTIVE DATE.

This subtitle shall take effect 6 months after the date on which the rules under section 503 are promulgated, except—

(1) to the extent that a later date is specified in such rules; and

(2) that section 506 shall be effective upon enactment.

The CHAIRMAN. Pursuant to House Resolution 235, the gentleman from Ohio (Mr. OXLEY) and a Member opposed each will control 15 minutes.

Mr. MARKEY. Madam Chairman, I rise to request control of the time in opposition to the amendment.

The CHAIRMAN. Is the gentleman opposed to the amendment?

Mr. MARKEY. I am in momentary opposition to the amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. MARKEY) each will control 15 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, I want to talk about what the brave new world of financial services marketplace is going to look like and what it is going to look like realistically as opposed to some of the scare stories my colleagues are going to hear from the gentleman from Massachusetts (Mr. MARKEY).

Basically, it means more choice of services and products, varied for the consumer, the joint ventures and, yes, the responsible sharing of consumer information taking place in the market today.

The reality is, the integrated products and services today's consumer expects from his or her financial institutions require information sharing, especially among affiliates. After all, in the eyes of the consumer, what are affiliates other than different departments of the same company that they are dealing with.

One can bet, for example, that if a consumer in Ohio, for example, has a relationship with bank one and is applying for a preapproved mortgage loan, he expects them to know when he calls that he has a savings account, a checking account, a car loan, and a CD with them. The last thing he wants is more government regulation and more forms to fill out when he is dealing with his own company.

The amendment I offer today with the gentlewoman from Ohio (Ms. PRYCE) and the gentlewoman from New Jersey (Mrs. ROUKEMA) takes a more realistic, more free market, more consumer friendly approach to the issue of privacy.

The amendment, I want to make this very clear, requires mandatory disclosure for the first time of financial institutions' privacy policy in clear and conspicuous language. The amendment provides an opt-out provision, enabling consumers who so choose not to have their confidential financial information disclosed to unaffiliated third parties.

It includes a prohibition on the sharing of consumer account numbers to third parties in connection with the marketing of products, thus addressing concerns regarding third-party telemarketing.

The amendment requires the financial institution regulators to set and enforce standards for the security of confidential information. An amendment requires the Secretary of Treasury to do a comprehensive study on privacy issues as it relates to affiliate structure.

I would point out to the Members this issue of information sharing within affiliates has had no hearing whatsoever, the Committee on Banking and Financial Services or in the Committee on Commerce. This would require a study by the Treasury Department to find out exactly where the pressure points are.

Madam Chairman, these are strong, new protections for consumer privacy, unheard of before. It takes a huge step in providing the kind of privacy for consumers and, at the same time, at the same time, allowing the efficiencies of the marketplace to work so effectively.

We trust consumers to make those kinds of choices when they are dealing with their financial services company. If they do not like that privacy policy or they think that they are having their information passed on, they can simply change companies and vote with their feet.

□ 2145

That is what this amendment does. We trust the consumer. We think this is the best approach to privacy. I would ask support of the Oxley amendment.

Madam Chairman, I reserve the balance of my time.

Mr. MARKEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, maybe there are Members in this institution and maybe there are Americans who do not share the same concerns I have about my financial privacy. When I go to the ATM machine in this building, I go over and I punch in my four numbers, and then, as the machine spits out the hundred dollars, I pocket that and out spits a receipt. The receipt tells me what my balance is.

Now, I do not know about the other people in this Chamber, but I hide that sheet from the intern or the page who is standing right behind me, because I do not want them to know what my balance is.

Now, maybe I am different from other people in this room. As a matter of fact, I do not even throw away that slip in the bucket that is right there. I walk 10 buckets away, or I pocket it because I do not want anyone to know what my balance is.

Now, the Oxley amendment makes some progress because it gives an opportunity for a consumer to block the sale of that information to an unaffiliated company. That is progress. However, it does not stop within a bank holding company, if our checking records or any of our banking records are now affiliated with a new brokerage or a new insurance or a new telemarketing firm, because in fact the bank holding company can now be affiliated with a telemarketer. Or, looking earlier at the Burr amendment, perhaps television stations. Perhaps it will be CNBC. Perhaps it will be the Drudge Report. They can be affiliated with anything, anything, potentially. Well, we do not get any protection because they can share the information with anyone they affiliate with.

So the Oxley amendment does take a step forward, yes. Yes, indeed. But only when we reach, only when we reach the recommittal motion, which is coming up in about 15 or 20 minutes, will we get a chance to close the big loophole. The big loophole. And all I ask of my colleagues is that while, in fact, the Oxley amendment shuts down sale to robbers, that is burglars, those outside the bank holding company, it does not do anything about electronic embezzlers inside the bank holding company marketing it, not just to its affiliates, but they can market it because they are affiliates to anyone else in the world. That is the loophole. We have no privacy.

So the Oxley amendment is a good step forward but with a big loophole left that the recommittal motion is going to give every Member out here a chance to vote in a substantive way for, as they will for the health care provision that the gentleman from California (Mr. CONDIT) wants and the redlining provision that the gentlewoman from Texas (Ms. JACKSON-LEE) wants.

But the key here is to understand that at least on this Oxley amendment, while it is a good step forward, there is another big vote coming up in about 15 minutes after that, and this is just a preview of coming attractions that we are going to try to give our colleagues during the course of this debate on Oxley.

Madam Chairman, I reserve the balance of my time.

Mr. OXLEY. Madam Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. BAKER), a member of the Committee on Banking and Financial Services and a subcommittee chair.

Mr. BAKER. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, if we listened to the previous speaker's concerns about security and privacy in today's world, with computers on everyone's desk at home, computers across this Nation in business at this moment exchanging billions of pieces of information, we should be extremely concerned about privacy. I would merely point out, if AL GORE had not invented the Internet to begin with, we would not be having this problem tonight.

But let us get to the current state of law. The fact is, if we do not adopt this amendment and approve this bill there is no privacy constraints not only on financial institutions but on free enterprise institutions outside the financial marketplace.

Let us talk about the amendment. What does it do? It says, if someone is

outside the bank, we can no longer give them proprietary private information of those customers, which does not belong to them. We cannot sell it to them, we cannot give it to them, we cannot do anything with it because that is prohibited by this law. First time ever. Federal law prohibits the use of proprietary financial institution information to third parties. This is a major step forward.

This kind of reminds me like my first experience in one of those big grocery stores. As I walked down the aisle I saw jeans for 12 bucks. First time in my life. That was a big deal. I walked around the corner, and I saw tires for four-wheelers. My goodness, how did they get here? I went around the next corner, and I ran into one of these nice ladies, and she had these little bitty wieners they only give out one at a time. But they were selling those little wieners in the store, along with the tires, along with the jeans, along with everything else. I thought this is amazing. What convenience. And great prices, too.

If we adopt this bill tonight, without the extreme provisions that the gentleman from Massachusetts (Mr. MARKEY) proposes, we can have the same thing in financial services. We can go to one location and we can buy insurance, we can invest in stocks, we can manage our retirement fund, all with the ease of dealing with one person and one institution.

What about the small town bank? The guy who runs the small town bank, he is the loan officer, he is the chief executive officer. He opens up in the morning; he closes at night. He sells insurance. If we took the Markey position with technology, that guy would have to have some type of surgery to split his head because he could not talk to the customer about two products. It would be prohibited because he would be sharing information improperly.

Please, this is a good product. It is the right approach. It is the right time.

Mr. MARKEY. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member of the Committee on Banking and Financial Services.

Mr. LAFALCE. Madam Chairman, I rise in support of this amendment. And, first of all, I want to give special thanks to two members from my staff, Dean Sagar and Tricia Hasten, who worked so hard on this; Kirsten Johnson from the staff of the gentleman from Minnesota (Mr. VENTO); Kristi from the staff of the gentleman from Texas (Mr. FROST); and so many other people, the gentlewoman from Ohio (Ms. PRYCE) and her staff, et cetera; the gentleman from Iowa (Mr. LEACH) and his staff.

This is a significant advancement with respect to privacy. There is no question about it. The gentleman from Massachusetts (Mr. MARKEY) had two options, to offer an amendment as a substitute for this, and I think this would have been preferable if we had to choose between the two; or to offer an amendment that would augment this. In his motion to recommit he will offer an amendment that will augment this; and, therefore, we could have the best of both worlds. So I advise my colleagues of that.

Now, what is good about this? What is excellent about this? Well, first of all, it creates for the very first time an affirmative and continuing obligation, a duty on the part of financial institutions to protect customer information. That does not exist under current law.

I introduced this bill in the last Congress. We were unable to get it. We did not even get it in the Committee on Banking and Financial Services' product. We have it in this amendment. This is terrific.

Further, not only do we create an obligation, we give the financial regulators the ability to articulate standards that the financial institutions must meet in order to fulfill that obligation. This, too, is terrific. I thank my staff. We have opt-out language that was contained in the amendment of the gentleman from Ohio (Mr. GILLMOR).

I introduced a bill to fulfill the challenge that the Comptroller of the Currency gave when he gave his speech talking about seamy financial institution practices. To fulfill the challenge of the lawsuit brought by the Attorney General from Minnesota, the bill would have been not just an opt-out or an opt-in but an actual prohibition. We have that in this amendment.

We have a prohibition on the disclosure of account numbers. We prohibit financial institutions from sharing with unaffiliated parties any credit card savings and transaction account numbers or other means of access to such accounts for purposes of marketing to the consumer, including telemarketing, including direct mail, and including E-mail marketing.

We have a prohibition on third party resale of private information. We prohibit unaffiliated third parties that receive confidential customer information from a financial institution from reselling or sharing this information with any other unaffiliated parties.

Let us not look a gift horse in the mouth. This is a terrific amendment. We would not have gotten here without the gentleman from Washington (Mr. INSLEE), we would not have gotten here without the gentleman from Massachusetts (Mr. MARKEY), and I thank them for that. Let us accept this and then let us go forward.

Mr. OXLEY. Madam Chairman, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE), who has done such a wonderful job in leading us in this effort on privacy.

Ms. PRYCE of Ohio. Madam Chairman, I thank my friend for yielding this time.

Madam Chairman, let me ask my colleagues if they are tired of their phone ringing in the middle of dinner only to be solicited for lawn care service. Are they tired of getting so much junk mail that they have to empty their trash twice as often as they used to? Are they tired of their teenagers being solicited for a new credit card every other week? Are they tired of wondering who in the world is giving out their addresses and phone numbers to these strangers? Well, I am, and I am mad as heck about it.

So today I am taking the floor to issue a public service warning to all of our constituents: ''Mr. and Mrs. America, your personal financial information may be disclosed by your bank to any Tom, Dick and Harry without your knowledge and without your consent.''

That is right, America, in all the years of banking law in this country there are no laws on the book to protect your privacy. Can you imagine that? That is wrong. It is un-American, it is anti-consumer, and it has to stop. The privacy amendment being offered here tonight is a historic precedent to put an end to that.

Now, many of my friends on the other side of the aisle say it is not perfect or complete enough, but, Madam Chairman, for the first time ever we will be saying that each financial institution has a legal obligation to protect the privacy and confidentiality of its customers. And for the first time ever we will be saying that every financial institution must adhere to strict standards to ensure the security and confidentiality of customer records. And for the first time ever we will require every institution to fully disclose to a customer up front what their privacy policy is. And perhaps most importantly, for the first time ever we will require that financial institutions give their customers a right to just say no to the sharing of what most Americans hold very, very dear: private information about themselves and their families.

Madam Chairman, make no mistake, this is a landmark privacy legislation which was drafted in a bipartisan fashion. And given that current law gives our constituents no protection whatsoever, and given that our colleagues in the other body have no privacy protection in their banking bill whatsoever, and given that last year's version of this very bill had no privacy protections whatsoever, while customers are growing more and more troubled by random telemarketing and junk mail, it is critical we adopt this amendment.

Privacy is a very personal thing. Americans feel very strongly about protecting it. Let us heed the voice of America. I urge adoption of the amendment.

Mr. MARKEY. Madam Chairman, I yield 3 minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Madam Chairman, the previous speaker, the gentlewoman from Ohio (Ms. PRYCE), is entirely correct. Americans are sick and tired of having their personal financial information, their credit cards, their savings account information given away to telemarketers and getting those obnoxious calls during dinner time.

□ 2200

She is right. But they are just as tired of getting those calls from the affiliates of banks as they are from third parties of banks.

That is why it is imperative to augment the Oxley amendment by the motion to recommit to make sure that Americans have the right to stop not only third parties but affiliates from making those calls and violating their privacy.

Now, if I can share with Members something I learned yesterday and I think it is important in this debate. The members of the industry have objected to affiliate coverage of this vital protection, and they have said that if we do this, the financial system would collapse, there is simply no way that the banking system could accommodate this reasonable consumer protection.

Well, guess what? In Minnesota yesterday, a major U.S. bank got caught with its hand in the cookie jar. They were, in fact, giving away consumer private financial information. It was being used to telemarket to consumers. And when they were caught by the Minnesota attorney general, they said, mea culpa, you got us. We give up. But do my colleagues know what they agreed to? They agreed to a Minnesota consent decree, to a judicial order prohibiting sharing with their affiliate and their third parties because they knew that this could be done.

I am here to say, if it is good enough for the good folks in Minnesota, it is good enough for everybody across America and the U.S. Congress ought to be just as progressive and just as effective as the Minnesota attorney general and we ought to make sure that affiliates are covered just as well. That is why we have got to pass this motion to recommit.

Before I sit, we have talked a lot about privacy. I want to commend the work of the gentleman from Iowa (Chairman LEACH) and the gentleman from New York (Mr. LAFALCE) on this program. We have made some advancement. But we will be sorely, sorely feeling bad when our consumers look back to tonight and say to me and the gentleman from Massachusetts (Mr. MARKEY) and the rest of us, why did we not take care of the affiliates at the same time we took care of the third parties?

It is our chance to do it tonight. Pass the motion to recommit and finish the job.

Mr. OXLEY. Madam Chairman, I am pleased to yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA) who has taken great leadership on this issue and who is the Subcommittee Chair on Financial Institutions and Consumer Credit.

Mrs. ROUKEMA. Madam Chairman, I thank my colleague the gentleman from Ohio (Mr. OXLEY) for yielding me the time.

Madam Chairman, I have got to say that I am really very pleased by this debate thus far. I appreciate everything that the gentleman from New York (Mr. LAFALCE) has said. I think that is very constructive. And certainly I want to commend the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from Ohio (Ms. PRYCE) and I think she and the gentleman from New York (Mr. LAFALCE) have greatly strengthened the whole argument for this by saying this gives us more privacy than under any law that we have ever had.

This is a giant step in the right direction. But I must also say that it is more than just a start. It is not the whole thing, but it is much more than just a start. It is literally a foundation for whatever we might do in the future. But it is a wonderful foundation, a strong foundation.

I want to say that, as the Chairwoman of the Subcommittee on Financial Institutions and Consumer Credit, some weeks ago before this privacy thing erupted, really I had set privacy hearings for July 21 and 22 with the recognition that there are some complexities that are here that we will have to deal with.

The gentleman from Ohio (Mr. OXLEY) pointed out that there is a report that we are going to be looking for as part of this amendment. But I want to point out to my colleagues that there are complexities to privacy and accountability here that have not been completely thought through.

For example, some may be concerned about the exceptions included in this bill. But, in my opinion, these exceptions are included to ensure that everyday transactions like mortgage servicing, securitization of mortgages, printing of checks can continue under our new financial system. But there are also exceptions that allow our law enforcement officials to conduct important investigations relating to public safety.

This is just another way of saying that this is a wonderful foundation, more than a small step, in the right direction. It is a giant step. But we have more to do, and this puts us on the right direction.

Mr. MARKEY. Madam Chairman, could the Chair tell me how much time is remaining.

The CHAIRMAN. The gentleman from Massachusetts (Mr. MARKEY) has 5½ minutes remaining. The gentleman from Ohio (Mr. OXLEY) has 5 minutes remaining.

Mr. MARKEY. Madam Chairman, I yield 2 minutes to the gentleman from Texas (Mr. BARTON).

Mr. BARTON of Texas. Madam Chairman, I want to rise to commend the distinguished subcommittee chairman for what he has done but to condemn him for not going as far as he should.

The bill as reported out of the Committee on Banking and Financial Services had no privacy protection at all. The bill that was reported out of the Committee on Commerce had privacy provisions that the gentleman from Massachusetts (Mr. MARKEY) offered that some people thought was too inflexible.

I supported the gentleman from Massachusetts (Mr. MARKEY). I worked with him and his staff to come up with a modified Markey-Barton-Dingell-Inslee-Eshoo et al. amendment that we offered to the Committee on Rules that was not ruled in order.

I remember the old days when we thought that banks should be banks and insurance companies should be insurance companies and brokers should be brokers. That was the good ol' days of the 1980s, not the 1940s or 1950s.

Well, tonight we have before us a mega-financial service reform bill that, according to those that support it, is going to allow companies to operate through hundreds of subsidiaries and affiliates, hundreds.

The question that I ask this body and the country is: If we are concerned about the selling and sharing of information to third parties, should we not be just as concerned about the selling, sharing, transmitting, or accessing that information inside of these affiliates if there are going to be dozens or hundreds of these affiliates?

I think that what the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from Ohio (Ms. PRYCE) have done is a step in the right direction. But it is only a step. Until we solve the riddle of handling information within the affiliates structure, we do not have privacy. We do not have privacy.

So I will vote for the amendment because it is a step in the right direction, but I will vote against final passage until we get this issue settled. It is not going to go away. We need to address it.

The debate this evening on the floor is good. I commend the gentleman from Massachusetts (Mr. MARKEY) and the gentleman from New York (Mr. LAFALCE) and the gentleman from Ohio (Mr. LEACH) and the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from Ohio (Ms. PRYCE) and others for bringing the debate to the country. But the ultimate solution is not Oxley-Pryce. We need to go further.

Mr. OXLEY. Madam Chairman, I am pleased to yield 1 minute to the gentleman from Ohio (Mr. GILLMOR) who has been one of the leaders on the Committee on Commerce on the banking provisions, as well as the privacy provisions.

Mr. GILLMOR. Madam Chairman, I want to commend the chairman for his leadership on the privacy issue. This amendment is an important step in protecting individual privacy. It protects it by regulating the disclosure and the sharing of consumer information by financial institutions.

It contains a number of the elements that were in an amendment that I offered in the Committee on Commerce, and the Committee on Commerce did adopt those provisions but it is not in the version before us.

Consumers feel they have lost control over how their financial information is being collected, how it is being distributed by institutions having nothing to do with the financial relations they have with those providers.

Personal information is much more accessible now, even without the person whose privacy is invaded knowing it is being invaded. The sale and transfer of that information is both widespread and it is growing. And the simple reason is the astonishing growth in technology today and information gathering and the human benefits the tremendous benefits we get from that also carry with them unprecedented threats to personal privacy and personal privacy need protection because it is an important part of individual freedom.

I urge support of the amendment.

Mr. MARKEY. Madam Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. FROST).

Mr. FROST. Madam Chairman, I rise in support of the Oxley amendment.

Mr. MARKEY. Madam Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO).

Madam Chairman, I rise in support of the comprehensive privacy amendment. I believe that this amendment improves the bill by providing consumers with new important safeguards for their financial privacy.

Public concerns about personal information privacy are growing. Seemingly each week, there are new reports of stolen identities, selling of consumer financial data, ''cookies'' on Internet sites, hijacked ATM cards and numbers. Both the Banking Committee and the Commerce Committee, for the first time, addressed consumer privacy in H.R. 10. During the Banking Committee debate on this issue, I stated that the issue of privacy is even bigger than the financial services modernization bill. While it is appropriate to insure that adequate privacy safeguards are in place to protect consumer privacy in the new financial marketplace, this legislation is not the vehicle to address an all embracing comprehensive privacy legislation. This bill will not stop identity theft. It will not stop the stealing of Social Security numbers nor the filing of false tax returns. H.R. 10 will not stop the selling of driver's license information or the selling of its lists or attaching cookies to visitors to web sites. Nor will this bill stop the diversion of an individual's mail nor the stealing of credit card and ATM numbers. Those issues are left for another day and future action.

H.R. 10 should contain a privacy protection component as it relates to financial institutions. That component should not just be a rhetorical statement, it must be a workable safeguard for consumers. The financial privacy protection amendment pending before the Committee is better than the Banking and Commerce Committee alternatives. It is a good, workable product that will serve our constituents well. The Financial Privacy Protection amendment reinforces the opt-out for third party information sharing—a key consumer concern. More importantly, the amendment puts in place strong affirmative provisions of law that provide absolute protections and benefits for consumers.

Those provisions include:

Affirmative privacy responsibility and policy.—Banks, insurance companies, credit unions, security firms, mutual funds, thrifts and other financial institutions will be required by law to be respect for consumer's financial privacy and to have a privacy policy that meets federal standards to protect the security and confidentiality of the customers personal information.

Prohibition on sharing account numbers.—Consumer account numbers cannot be shared for the purposes of third party marketing. This protection applies to all consumers and requires no action on their part.

Workable ''Opt-Out'' on third party information sharing.—Consumers can ''opt-out'' of sharing of information with third parties in a workable fashion that protects consumers' privacy while allowing the processing of services they request.

Effective regulatory authority.—Regulatory and enforcement authority is provided to the specific regulators of each type of financial institutions. These regulators can best do the job instead of the alternative single regulator who is understaffed and supports privacy ''self-regulation'' for the industry it is currently charged to regulate.

Prohibits repackaging of consumer information.—Consumer information remains protected. It cannot be resold or shared by third parties or profiled or repackaged to avoid privacy protections.

Consumer disclosure.—Consumers must be notified of the financial institutions' privacy policy at the time that they open an account and at least annually thereafter.

These common sense, workable provisions will be added to the substantial protections already included in H.R. 10 that prohibit obtaining customer information through false pretenses and disclosing a consumer's health and medical information.

In addition, the legislation clearly defines what is ''publicly available information''. This definition is designed to insure that non-public information is not disseminated through a public information loophole. Under the amendment, which I helped to draft, publicly available information is intended to include information such as:

Public records from country or municipal sources, such as tax assessors' offices, recorders of deeds, tax collectors, planning departments and court systems;

Public records from state sources, such as planning agencies, secretaries of state, revenue agencies, departments of motor vehicles, state courts, departments of education, departments of forestry, environmental reporting agencies and employment security agencies;

Public records from federal sources, such as federal courts, the IRS, FEMA, the USGS, FCC, FAA, U.S. Post Office and Census Bureau; and

Public information from Journals, newspapers and other publications.

I do not take a back seat to any Member when it comes to consumer rights and consumer privacy. I have worked to protect consumer privacy through laws like Truth in Lending, Fair Credit Reporting Act and the Electronic Fund Transfer Act. I also introduced one of the first proposals to protect a consumer's privacy on the Internet, the Consumer Internet Privacy Protection Act.

During the Banking Committee mark-up, I introduced an amendment that would have provided an annual opt-out on affiliate sharing. I withdrew that amendment because I realized that it was unworkable. Other advocates of the opt-out are to date not dissuaded by the problems. Consumer privacy is not insured and consumer services are reduced. Unified statements cannot be issued and something as simple as calling to get an account balance will become a bureaucratic nightmare. The only thing that an affiliate opt-out amendment accomplishes is to require financial institutions to restructure themselves to conform to the cookie cutter mold developed by Congress.

A law that requires consumer action is appropriate but third party and affiliate ''opt-out'' is hardly the last word in consumer rights. The fact is that a number of consumers have such a right today under FCRA or institution policies. Even with that authority, only a small fraction of individuals, less than 1 percent, exercise that option. Consumer choice is nice but what does it really accomplish—what is the bottom line.

Another deficiency of the alternative proposal is the regulator. That approach gives enforcement authority to the Federal Trade Commission as opposed to the appropriate regulator for each financial institution. This is the same regulator who testified last year before the House Commerce Subcommittee on Telecommunications on Internet privacy. At that time, FTC Chairman Pitofsky testified that: ''The Commission believes that self-regulation is preferred to a detailed legislative mandate . . .'' We should not turn over such an important enforcement authority to such a reluctant regulator.

Madam Chairman, I urge my Colleagues to support the pending amendment. If we are to pass financial modernization, strong consumer privacy protection must be a cornerstone of that proposal. The pending amendment helps us to achieve that goal.

Mr. MARKEY. Madam Chairman, I yield myself the balance of the time.

Madam Chairman, the Oxley amendment is a good step forward. We will concede that. But it has huge loopholes in the law that it does not close.

As soon as we finish this debate on the Oxley amendment, we are going to have an opportunity to vote on a recommital motion. Within that recommital motion, each Member out here on the floor will have a straight shot to vote on the provisions that the Committee on Rules did not give the Members a chance to vote on.

They will have a chance to vote on the Condit amendment. The gentleman from California (Mr. CONDIT) and the gentleman from California (Mr. WAXMAN) have a proposal that will close all the medical loopholes. It will ensure that your medical information cannot be given away. It will guarantee that the exceptions that are inside of this bill that swallow the rule do not allow for families across this country to have their medical information sold and bought as though it was just an ordinary commodity.

Every Member on the floor in the recommital motion will also be put on substantive record on the issue of financial privacy within the holding company. That is, if they have all of their checks inside of a bank right now and they do not want them to give it over to a telemarketing affiliate, they do not want them to give it over to the brokerage affiliate, they do not want them to hand it over to the insurance affiliate, they cannot say no. They have no right to say no under the Republican bill.

In the recommital motion, each Member is going to be given an opportunity to say to every American, I think you should have the right to say no. I do not want any of my children's privacy compromised. I do not want my family's privacy compromised. I do not want the medical secret of my family out on the street just because it happens to be a bank holding company that owns the insurance policy, the checks, or the brokerage account and they have a marketing affiliate that sells my privacy like it is a commodity to hundreds of companies that are dying to find out everything that is going on within my State.

So we are going to give everyone an opportunity in that recommital motion, and we are going to throw in the Lee redlining as well as the third little provision. That is only going to be a 5-minute debate altogether. But when my colleagues vote on it, they are going on record on those issues. Because if it is successful, it goes into the bill immediately, and we are voting final passage. And if my colleagues vote no, this bill is leaving here with every one on record against medical privacy and against the financial privacy provision that ensures that the bank holding company and its telemarketing subsidiary, its affiliate, cannot just take all their secrets and sell them to the rest of the world and make millions of dollars.

Yes, they call it a synergy, by the way, a synergy. But we are trying to take the sin out of the synergy. We are trying to make sure that they get the benefits of all these products, they can say yes if they want them, but they can say no as well. That is what this is all about. It does not stop any bank from trying to get them to buy these products. What it says is they have a right to say, no, I do not want this. I want the checking account, that is it. Please do not sell the rest of the material to anyone else.

So the Oxley amendment is something that should be supported. I think we will all support it unanimously on this side. But the big vote is coming up in about 10 more minutes.

Mr. OXLEY. Madam Chairman, I am pleased to yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Madam Chairman, I thank the gentleman for yielding me the time.

Madam Chairman, I am pleased to support this amendment. It has a strong bipartisan protection for consumers. I know there is some honest disagreement between my colleagues on this very important issue of privacy. But what I would like to do is urge my colleagues to look at what is in this amendment, not what is missing.

My constituents of my district have told me time and time again that they do not want their names and permanent information sold to companies they have never heard of. If we pass this Oxley amendment, consumers will be able to tell their banks; no, I do not want my name sold; no, I do not want you to share information with third parties.

Madam Chairman, this amendment takes us much further than I ever dreamt that we would go in strengthening current laws creating new and effective protections for consumers on privacy. Most of all, it has meaningful enforcement language. I urge its passage.

□ 2215

Mr. OXLEY. Madam Chairman, I yield 2 minutes to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

Mr. DREIER. Madam Chairman, I rise in strong support of this amendment. I would like to begin by not only congratulating the gentleman from Ohio (Mr. OXLEY) but, of course, my colleague on the second row here who worked long and hard as a member of the Committee on Rules and, yes, I want to even congratulate, we have once again made this a bipartisan effort, when I heard the word ''terrific'' used three times by my friend the gentleman from New York (Mr. LAFALCE), and I know that we will see very broad bipartisan support for what is I think a very important measure.

We are all appalled at the thought of telemarketers getting access to information. We all want to do everything that we can to stop that. In fact, the base text of this bill has the strongest consumer privacy protection we have ever had. But guess what? This amendment, that we are all going to be, I hope, overwhelmingly supporting based on the statements that I have been hearing, will be even tougher. The fact of the matter is this is a very balanced compromise. Why? Because privacy is a first priority. That is what it is that the American people want. But there are some other demands that they have. They also demand low cost and integrated financial products and services, they demand on-line banking and brokerage services, and they demand protection against financial fraud. Quite frankly to meet these demands, all of these demands, affiliates have to be able to share some information. That is why I am convinced that this now bipartisan effort which has seen many Members involved is in fact the balance that is needed for us to deal with the issue of privacy as well as meeting consumer demands.

I encourage my colleagues to support it.

Mr. OXLEY. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio is recognized for 1 minute.

Mr. OXLEY. Madam Chairman, let me reiterate to the Members. Under the Oxley amendment, for the first time we are requiring financial services organizations to actually have a privacy policy. It has to be printed, it has to be explained to the customer, the customer has an opportunity to understand exactly what that privacy policy is. It never happened before until this amendment becomes law.

Secondly, now that the consumer who is working with this affiliate company understands that policy, he may or may not decide to continue to do business with that company. If he is so concerned that the company he is dealing with is going to be selling that information or leaking that information to other parts of the affiliate, he is going to vote with his feet, he is going to act like an educated consumer, to quote a famous line from Sy Syms. He is going to be an educated consumer, and he is going to go someplace else where his privacy is going to be protected. That is the marketplace working very effectively, I would say to my friend from Massachusetts, not some statute that ties up these financial institutions, costs them millions and millions of dollars which is going to be passed on to the consumer ultimately and is going to be less and less efficient.

This is the product that was worked on in a bipartisan way. I ask the Members to support the amendment.

Ms. JACKSON-LEE of Texas. Madam Chairman, I rise in support of the Oxley/Pryce/Roukema amendment because it requires financial institutions to respect the privacy of its

customers. This is a basic consumer protection and I urge my colleagues to support this amendment.

The provisions of this amendment include basic consumer privacy protections. It requires an ''affirmative and continuing obligation'' to protect customer's personal information.

This amendment requires regulatory standards to insure security and confidentiality of customer records to protect against unauthorized access and use. With recent advances in technology, there is the possibility that a computer hacker can break into a bank's computer system and access personal account information.

This amendment requires that consumers be given the opportunity to opt-out of the disclosure of their private information with unaffiliated third parties. It also prohibits unaffiliated third parties that receive confidential customer information from sharing that information with any other unaffiliated parties.

Another important provision in this amendment requires that all financial institutions disclose their policies and practices for collecting customer information. All customers should have notice of these policies in advance.

Customers should also have advance knowledge of policies that protect their confidential information and the policies that prevent that information from being shared with unaffiliated parties. Advance knowledge of these policies not only protect the consumer, but it also protects the financial institution.

This amendment prohibits financial institutions from sharing credit card, savings and transaction account numbers for purposes of marketing to the consumer. This account information is especially sensitive and should be kept as confidential as possible.

These are common sense provisions that protect Americans who are sincerely concerned about privacy. These days, many companies have access to information about our spending and saving habits because of lax privacy laws that only make consumers vulnerable. However, I am looking forward to ensuring greater consumer protection as it relates to privacy issues—including medical records privacy—as this legislation moves to conference.

I am concerned that this amendment will allow financial institutions to share consumer information through their affiliates without restriction. However, this amendment is an important first step to ensuring a marginal level of privacy for consumers.I support the provisions in this amendment and I urge my colleagues to vote for its passage.

Mrs. MALONEY of New York. Madam Chairman, last year H.R. 10 passed this Chamber by one vote. In that version of Financial Modernization, there were no privacy provisions. This year things have changed. There are privacy provisions in the base text and there is this amendment which, if adopted, will make this one of the strongest privacy bills to involve the financial services industry.

I would like to thank all of the members who have worked on crafting this amendment, including Representatives FROST, LAFALCE, PRYCE, and OXLEY. A few days ago I submitted to this informal privacy working group a suggested amendment. My proposal would make certain that if an affiliate in a holding company were sold to another entity, only the information about their own customers could be transferred. No information about customers in the original holding company are allowed to be shared with the sold entity's new affiliates unless they were already a customer. This is an important privacy protection and I was pleased that the authors agreed to add it into this amendment.

Perhaps the most important part of this amendment are the strong disclosure provisions. This bill requires financial institutions to annually disclose to their customers their policies practices for collecting and protecting the customer's private information. Financial Modernization means more choices for consumers, and part of that choice should include the privacy policies of the firm which is trying to attract their business. If a customer is unsatisfied with a privacy policy of a firm, they can choose another. But this form of competition only works with strong disclosure requirements.

This amendment will also prohibit financial institutions from reselling a consumer's private information to a third party and will prohibit them also from sharing a customer's account numbers in order to market to that customer. This should prevent many of those unwanted telemarketing calls resulting from a relationship with a bank or other financial firm.

There are still some problems with the base text, including the problems with the privacy of medical information. But I am pleased with the colloquy between Mr. GANSKE and Mr. LAFALCE and I am confident that these issues will be worked out in conference.

These are the best privacy provisions to ever appear in a draft of H.R. 10 and I am supportive of this effort. To be sure, during this debate many good issues have been raised about these privacy issues. Chairman LEACH has announced hearings on privacy for the end of July and I am sure the Banking Committee will continue to examine the issue and consider appropriate legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. OXLEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. OXLEY. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 235, further proceedings on the amendment offered by the gentleman from Ohio (Mr. OXLEY) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 235, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 10 offered by the gentleman from Virginia (Mr. BLILEY); amendment No. 11 offered by the gentleman from Ohio (Mr. OXLEY).

The Chair will reduce to 5 minutes the time for the second electronic vote in this series.

AMENDMENT NO. 10 OFFERED BY MR. BLILEY

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. BLILEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 226, noes 203, not voting 5, as follows:

[Roll No. 273]

AYES—226

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Boucher
Brady (TX)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dingell
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Kasich
Kelly
Kildee
King (NY)
Kingston
Knollenberg
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
McCollum
McCrery
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Ose
Oxley
Packard
Pallone
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Strickland
Stump
Sununu
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Towns
Traficant
Upton

Vitter
Walden
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—203

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Capuano
Cardin
Carson
Chenoweth
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (IL)
DeFazio
Delahunt
DeLauro
Dicks
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Gutierrez
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E.B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kilpatrick
Kind (WI)
Kleczka
Klink
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Larson
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHugh
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pascrell
Pastor
Paul
Payne
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weiner
Weldon (FL)
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—5

Brown (CA)
Fossella
Green (TX)
Lipinski
Pelosi

□ 2240

Messrs. MOAKLEY, McHUGH and JONES of North Carolina changed their vote from ''aye'' to ''no.''

Messrs. DAVIS of Florida, VITTER, BROWN of Ohio and DEUTSCH changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to House Resolution 235, the Chair announces that she will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on the additional amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 11 OFFERED BY MR. OXLEY

The CHAIRMAN. The pending business is the demand for a recorded vote on Amendment No. 11 offered by the gentleman from Ohio (Mr. OXLEY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 427, noes 1, not voting 6, as follows:

[Roll No. 274]

AYES—427

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—1

Paul

NOT VOTING—6

Brown (CA)	Green (TX)	Pelosi
Fossella	Lipinski	Walsh

□ 2249

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, is amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mrs. EMERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes, pursuant to House Resolution 235, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER. Is the gentleman from Massachusetts opposed to the bill?

Mr. MARKEY. Yes, I am opposed to the bill in its current form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARKEY of Massachusetts moves to recommit the bill H.R. 10 to the Committee on Banking and Financial Services with instructions to report the same to the House forthwith with the following amendments:

Page 9, after line 19, insert the following new subparagraph (and redesignate the subsequent subparagraph accordingly):

''(D) In the case of any bank holding company which underwrites or sells, or any affiliate of which underwrites or sells, annuities contracts or contracts insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death—

''(i) the company or affiliate has not been adjudicated in any Federal court, and has not entered into a consent decree filed in a Federal court or into a settlement agreement, premised upon a violation of the Fair Housing Act for the activities described in this subparagraph;

''(ii) if such company or affiliate has entered into any such consent decree or settlement agreement, the company or the affiliate is not in violation of the decree or settlement agreement as determined by a court of competent jurisdiction or the agency with which the decree or agreement was entered into; or

''(iii) the company has been exempted from the requirements of clauses (i) and (ii) by the Board under paragraph (4).

Page 9, line 24, strike ''and (C)'' and insert ''(C), and (D)''.

Page 10, line 15, strike ''(1)(D)'' and insert ''(1)(E)''.

Page 11, after line 4, insert the following new paragraph:

''(4) VIOLATIONS OF THE FAIR HOUSING ACT.—The Board may, on a case-by-case basis, exempt a bank holding company from meeting the requirements of clauses (i) and (ii) of paragraph (1)(D).

Page 25, line 2, strike ''or (C)'' and insert ''(C), or (D)''.

Page 26, line 18, strike ''(B) or (C)'' and insert ''(B), (C), or (D)''.

Page 84, line 18, strike ''(1)(D)'' and insert ''(1)(E)''.

Page 184, line 17, strike ''(1)(D)'' and insert ''(1)(E)''.

Page 370, beginning on line 20, strike subtitle D of title III through page 373, line 17 (and conform the table of contents accordingly).

Strike title V and insert the following (and conform the table of contents accordingly):

TITLE V—PRIVACY OF CONSUMER INFORMATION

Subtitle A—Disclosure of Nonpublic Personal Information

SEC. 501. PROTECTION OF NONPUBLIC PERSONAL INFORMATION.

(a) PRIVACY OBLIGATION POLICY.—It is the policy of the Congress that each financial institution has an affirmative and continuing obligation to respect the privacy of its customers and to protect the security and confidentiality of those customers' nonpublic personal information.

(b) FINANCIAL INSTITUTIONS SAFEGUARDS.—In furtherance of the policy in subsection (a), each Federal functional regulator shall establish appropriate standards for the financial institutions subject to their jurisdiction, and the Commission shall establish such standards for any financial institutions not subject to such jurisdiction, relating to administrative, technical, and physical safeguards—

(1) to insure the security and confidentiality of customer records and information;

(2) to protect against any anticipated threats or hazards to the security or integrity of such records; and

(3) to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

SEC. 502. OBLIGATIONS WITH RESPECT TO PERSONAL INFORMATION.

(a) GENERAL REQUIREMENTS.—Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose or make an unrelated use of any nonpublic personal information collected by the financial institution in connection with any transaction with a consumer in any financial product or any financial service, unless—

(1) such financial institution provides or has provided to the consumer a notice that complies with section 503 and the rules thereunder; and

(2) such financial institution maintains procedures to protect the confidentiality and security of nonpublic personal information.

(b) OPT-OUT REQUIRED FOR INFORMATION TRANSFERS.—

(1) OPPORTUNITY TO OBJECT REQUIRED.—The Commission shall by rule prohibit a financial institution from making available any nonpublic personal information to any affiliate of the institution, or to any other person that is not an affiliate of the institution, unless the consumer to whom the information pertains—

(A) is given the opportunity in accordance with such rule to object to the transfer of such information; and

(B) does not object, or withdraws the objection.

(2) FLEXIBILITY OF FORM.—A financial institution may, in complying with paragraph (1), present the opportunity to object in a manner that permits the consumer to object—

(A)(i) with respect to both affiliates and nonaffiliated persons;

(ii) separately with respect to affiliates generally and nonaffiliated persons generally; or

(iii) separately with respect to specified affiliates and nonaffiliated persons; and

(B) separately with respect to specified financial and nonfinancial products and services that may be offered to the consumer.

(c) ACCESS TO AND CORRECTION OF INFORMATION VENDED TO THIRD PARTIES.—

(1) RULE REQUIRED.—The Commission shall by rule require a financial institution that, for any consideration, makes available nonpublic personal information collected by the financial institution in connection with any transaction with a consumer in any financial product or any financial service to any person or entity other than an employee or agent of such institution, an affiliate of such institution, or an employee or agent of such affiliate, to afford that consumer—

(A) the opportunity to examine, upon request, the nonpublic personal information that was so made available; and

(B) the opportunity to dispute the accuracy of any of such information, and to present evidence thereon.

(2) EXCEPTION FOR PROPRIETARY INFORMATION.—The rule required by paragraph (1) shall not require a financial institution to afford a customer who requests access to the nonpublic personal information that was made available the opportunity to examine or dispute any data obtained by any analysis or evaluation performed using such information, or to examine or dispute the methodology of such analysis or evaluation.

(d) LIMITATIONS ON THE SHARING OF ACCOUNT NUMBER INFORMATION FOR MARKETING PURPOSES.—A financial institution shall not disclose an account number or similar form of access number or access code for a credit card account, deposit account, or transaction account of a consumer to any nonaffiliated third party for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

(e) GENERAL EXCEPTIONS.—Subsections (a) and (b) shall not prohibit the disclosing of nonpublic personal information, the making of an unrelated use of such information, or the making available of such information to affiliates or other persons by the financial institution—

(1) as necessary to effect, administer, or enforce the transaction or a related transaction;

(2) with the consent or at the direction of the consumer;

(3) as necessary to protect the confidentiality or security of its records pertaining to the consumer, the financial service or financial product, or the transaction therein;

(4) as necessary to take precautions against liability or to protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability;

(5) as necessary to respond to judicial process;

(6) to the extent permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1974, to provide information to law enforcement agencies (including a functional regulator, a State insurance authority, or the Commission) or for an investigation on a matter related to public safety;

(7) to a consumer reporting agency in accordance with title VI of the Consumer Credit Protection Act;

(8) in executing a sale or exchange whereby the financial institution transfers to another financial institution or other person the business unit or operation, or substantially all the assets of the business unit or operation, with which the customer's transactions were effected; or

(9) in connection with a proposed or actual securitization, secondary market sale or similar commercial transaction;

(10) for reinsurance purposes.

SEC. 503. NOTICE CONCERNING DISCLOSING INFORMATION.

(a) RULE REQUIRED.—The Commission shall, after consultation with the Federal functional regulators and one or more representatives of State insurance regulators, prescribe rules in accordance with this section to prohibit unfair and deceptive acts and practices in connection with the disclosing of nonpublic personal information or with making unrelated uses of such information. Such rules shall require any financial institution, through the use of a form that complies with the rules prescribed under subsection (b), to clearly and conspicuously disclose to the consumer—

(1) the categories of nonpublic personal information that are collected by the financial institution;

(2) the practices and policies of the financial institution with respect to disclosing nonpublic personal information, or making unrelated uses of such information, including—

(A) the categories of persons to whom the information is or may be disclosed or who may be permitted to make unrelated uses of such information, other than the persons to whom the information must be provided to effect, administer, or enforce the transaction; and

(B) the practices and policies of the institution with respect to disclosing or making unrelated uses of nonpublic personal information of persons who have ceased to be customers of the financial institution; and

(3) the policies that the institution maintains to protect the confidentiality and security of nonpublic personal information.

(b) DESIGN OF NOTICE REQUIREMENTS.—In prescribing the form of a notice for purposes of subsection (a), the Commission shall ensure that consumers are readily able to compare differences in the measures that the financial institution takes, and the policies that the institution has established, to protect the consumer's privacy as compared to the measures taken and the policies established by other financial institutions. Such form shall specifically identify the rights the institution affords consumers to grant or deny consent to (1) the disclosing of nonpublic personal information for any purpose other than as required in order to effect, administer, or enforce the consumer's transaction, or (2) the making of an unrelated use of such information.

(c) ADDITIONAL CONTENTS OF RULES; EXEMPTIVE RULES.—The Commission shall, by rule after consultation with the functional regulators, and may by order—

(1) specify the disclosures and uses of information which, for purposes of this subtitle and the rules prescribed thereunder, may be treated as necessary to effect, administer, or enforce a consumer's transaction with respect to a variety of financial services and financial products;

(2) specify timing requirements with respect to notices to new and existing customers, which shall not require notices more frequently than annually unless there has been a change in the information required to be disclosed pursuant to subsection (a); and

(3) provide, consistent with the purposes of this subtitle, exemptions or temporary waivers to, or delayed effective dates for, any requirement of this subtitle or the rules prescribed thereunder.

(d) EXEMPTIVE RULES TO PERMIT EFFICIENT DATA STORAGE AND RETRIEVAL.—The exemptive rules prescribed by the Commission pursuant to subsection (c)(3) shall include such rules as may be necessary to permit financial institutions and their affiliates to establish and maintain efficient systems to collect and access nonpublic personal information in shared or networked data storage and retrieval facilities that are implemented in a manner consistent with the requirements of sections 501 and 502.

(e) RULEMAKING DEADLINE.—The Commission shall initially prescribe the rules required by this section within one year after the date of enactment of this Act. Such rules, and any revisions of such rules, shall be prescribed in accordance with section 553 of title 5, United States Code.

SEC. 504. ENFORCEMENT.

(a) IN GENERAL.—Except as provided in subsection (d), this subtitle and the rules prescribed thereunder shall be enforced by the Federal Trade Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) ACTIONS BY THE COMMISSION.—The Federal Trade Commission shall prevent any person from violating this subtitle and the rules prescribed thereunder in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this subtitle, except that notwithstanding section 5(a)(2) of such Act (15 U.S.C. 45(a)(2)) the Commission shall, for purposes of this title, have jurisdiction with respect to banks, savings and loan institutions, and Federal credit unions. Any person who violates this subtitle or the rules prescribed thereunder shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this subtitle.

(c) TREATMENT OF RULES.—A rule issued by the Commission under this title shall be treated as a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) REGULATIONS PRESCRIBED UNDER SECTION501.—The regulations prescribed under section 501 by the Federal functional regulators shall be enforced by the Federal functional regulators with respect to financial institutions subject to their jurisdiction under applicable law, as follows:

(1) Under section 8 of the Federal Deposit Insurance Act, in the case of—

(A) national banks, Federal branches and Federal agencies of foreign banks, and any subsidiaries of such entities, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, organizations operating under section 25 or 25A of the Federal Reserve Act, bank holding companies and their nonbank subsidiaries or affiliates (except broker-dealers, affiliates providing insurance, investment companies, and investment advisers), by the Board of Governors of the Federal Reserve System;

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), insured State branches of foreign banks, and any subsidiaries of such entities, by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) savings association the deposits of which are insured by the Federal Deposit Insurance Corporation, and any subsidiaries of such a savings association, by the Director of the Office of Thrift Supervision.

(2) Under the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal or state chartered credit union, and any subsidiaries of such an entity.

(3) Under the Farm Credit Act of 1971, by the Farm Credit Administration with respect to the Federal Agricultural Mortgage Corporation, any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(4) Under the Securities Exchange Act of 1934, by the Securities and Exchange Commission with respect to any broker-dealer.

(5) Under the Investment Company Act of 1940, by the Securities and Exchange Commission with respect to investment companies.

(6) Under the Investment Advisers Act of 1940, by the Securities and Exchange Commission with respect to investment advisers registered with the Commission under such Act.

(7) Under Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U. S. C. 4501 et seq.), by the Office of Federal Housing Enterprise Oversight with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(8) Under the Federal Home Loan Bank Act, by the Federal Housing Finance Board with respect to Federal home loan banks.

SEC. 505. FAIR CREDIT REPORTING ACT AMENDMENT.

(a) AMENDMENT.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended—

(1) in subsection (d), by striking everything following the end of the second sentence; and

(2) by striking subsection ''(e)'' and inserting in lieu thereof the following:

''(e) REGULATORY AUTHORITY.—

''(1) The Federal banking agencies referred to in paragraphs (1) and (2) of subsection (b)

shall jointly prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraphs (1) and (2) of subsection (b).

''(2) The Administrator of the National Credit Union Administration shall prescribe such regulations as necessary to carry out the purposes of this Act with respect to any persons identified under paragraph (3) of subsection (b).''.

(b) CONFORMING AMENDMENTS.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is further amended—

(1) by striking paragraph (4) of subsection (a); and

(2) in subsection (b)—

(A) by inserting ''and bank holding companies, and subsidiaries of bank holding companies other than depository institutions,'' after ''Federal Reserve Act,'' in paragraph (1)(B); and

(B) by inserting '', and savings and loan holding companies and subsidiaries of savings and loan holding companies'' after ''Insurance Corporation'' in paragraph (2).

SEC. 506. DEFINITIONS.

As used in this subtitle:

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

(2) FEDERAL FUNCTIONAL REGULATOR.—The term ''Federal functional regulator'' means—

(A) the Board of Governors of the Federal Reserve System;

(B) the Office of the Comptroller of the Currency;

(C) the Board of Directors of the Federal Deposit Insurance Corporation;

(D) the Director of the Office of Thrift Supervision;

(E) the National Credit Union Administration Board;

(F) the Farm Credit Administration; and

(G) the Securities and Exchange Commission.

(3) FINANCIAL INSTITUTION.—The term ''financial institution'' means any institution the business of which is engaging in financial activities or activities that are incidental to financial activities, as determined under section 6(c) of the Bank Holding Company Act of 1956. Such term, when used in connection with a transaction for a consumer, means only the financial institution with which the consumer expects to conduct such transaction and does not include any affiliate, subsidiary, or contractually-related party of that financial institution, even if such affiliate, subsidiary, or party is also a financial institution and participates in the effecting, administering, or enforcing such transaction.

(4) NONPUBLIC PERSONAL INFORMATION.—

(A) The term ''nonpublic personal information'' means personally identifiable financial information—

(i) provided by a consumer to a financial institution;

(ii) resulting from any transaction with the consumer or the service performed for the consumer; or

(iii) otherwise obtained by the financial institution.

(B) Such term does not include publicly available information, as such term is defined by the regulations prescribed under section 504.

(C) Notwithstanding subparagraph (B), such term shall include any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable information other than publicly available information.

(5) DIRECTORY INFORMATION.—The term ''publicly available directory information'' means subscriber list information required to be made available for publication pursuant to section 222(e) of the Communications Act of 1934 (47 U.S.C. 222(3)).

(6) UNRELATED USE.—The term ''unrelated use'', when used with respect to information collected by the financial institution in connection with any transaction with a consumer in any financial product or any financial service, means any use other than a use that is necessary to effect, administer, or enforce such transaction.

(7) AFFILIATE.—The term ''affiliate'' means any company that controls, is controlled by, or is under common control with another company.

(8) NECESSARY TO EFFECT, ADMINISTER, OR ENFORCE.—The disclosing or use of nonpublic personal information shall be treated—

(A) as necessary to effect or administer a transaction with a consumer if the disclosing or use is required, or is one of the usual and accepted methods, to carry out the transaction and record and maintain the customer's account in the ordinary course of providing the financial service or financial product, and includes—

(i) providing the consumer with a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product; and

(ii) the accrual or recognition of incentives or bonuses associated with the transaction that are provided by the financial institution or any other party;

(B) as necessary to enforce a transaction with a consumer if the disclosing or use is required, or is one of the lawful methods, to enforce the rights of the financial institution or of other persons engaged in carrying out the financial transaction, or providing the financial product or financial service; and

(C) as necessary to effect, administer, or enforce a transaction with a consumer if the disclosure is made in connection with—

(i) the authorization, settlement, billing, processing, clearing, transferring, reconciling, or collection of amounts charged, debited, or otherwise paid using a debit, credit or other payment card or account number, or by other payment means;

(ii) the transfer of receivables, accounts or interests therein; or

(iii) the audit of debit, credit or other payment information.

The Commission shall, consistent with the purposes of this subtitle, prescribe by rule actions that shall, in a variety of financial services, and with respect to a variety of financial products, be treated as necessary to effect, administer, or enforce a financial transaction.

(9) FINANCIAL SERVICES; FINANCIAL PRODUCTS; TRANSACTION; RELATED TRANSACTION.—The Commission shall, consistent with the purposes of this subtitle, prescribe by rule definitions of the terms ''financial services'', ''financial products'', ''transaction'', ''related transaction'', and ''unrelated third party'' for purposes of this subtitle.

SEC. 507. EFFECTIVE DATE.

This subtitle shall take effect one year after the date on which the Commission prescribes in final form the rules required by section 503(a), except to the extent that a later date is specified in such rules.

Subtitle B—Fraudulent Access to Financial Information

SEC. 521. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.

(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this subtitle for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

(1) by making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution;

(2) by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution; or

(3) by providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation.

(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this subtitle to request a person to obtain customer information of a financial institution, knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed so as to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

(e) NONAPPLICABILITY TO INSURANCE INSTITUTIONS FOR INVESTIGATION OF INSURANCE FRAUD.—No provision of this section shall be construed so as to prevent any insurance institution, or any officer, employee, or agency of an insurance institution, from obtaining information as part of an insurance investigation into criminal activity, fraud, material misrepresentation, or material nondisclosure that is authorized for such institution under State law, regulation, interpretation, or order.

(f) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed so as to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

SEC. 522. ADMINISTRATIVE ENFORCEMENT.

(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Compliance with this subtitle shall

be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the title VIII, the Fair Debt Collection Practices Act, to enforce compliance with such title.

(b) NOTICE OF ACTIONS.—The Federal Trade Commission shall—

(1) notify the Securities and Exchange Commission whenever the Federal Trade Commission initiates an investigation with respect to a financial institution subject to regulation by the Securities and Exchange Commission;

(2) notify the Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such Federal banking agency; and

(3) notify the appropriate State insurance regulator whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such regulator.

SEC. 523. CRIMINAL PENALTY.

(a) IN GENERAL.—Whoever knowingly and intentionally violates, or knowingly and intentionally attempts to violate, section 521 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 521 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

SEC. 524. RELATION TO STATE LAWS.

(a) IN GENERAL.—This subtitle shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle as determined by the Commission, on its own motion or upon the petition of any interested party.

SEC. 525. AGENCY GUIDANCE.

In furtherance of the objectives of this subtitle, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission or self-regulatory organizations, as appropriate, shall review regulations and guidelines applicable to financial institutions under their respective jurisdictions and shall prescribe such revisions to such regulations and guidelines as may be necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and to deter and detect activities proscribed under section 521.

SEC. 526. REPORTS.

(a) REPORT TO THE CONGRESS.—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Trade Commission, Federal banking agencies, the Securities and Exchange Commission, appropriate Federal law enforcement agencies, and appropriate State insurance regulators, shall submit to the Congress a report on the following:

(1) The efficacy and adequacy of the remedies provided in this subtitle in addressing attempts to obtain financial information by fraudulent means or by false pretenses.

(2) Any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(b) ANNUAL REPORT BY ADMINISTERING AGENCIES.—The Federal Trade Commission and the Attorney General shall submit to Congress an annual report on number and disposition of all enforcement actions taken pursuant to this subtitle.

SEC. 527. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) CUSTOMER.—The term ''customer'' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term ''customer information of a financial institution'' means any information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

(3) DOCUMENT.—The term ''document'' means any information in any form.

(4) FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''financial institution'' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term ''financial institution'' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any broker or dealer, any investment adviser or investment company, any insurance company, any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

(C) SECURITIES INSTITUTIONS.—For purposes of subparagraph (B)—

(i) the terms ''broker'' and ''dealer'' have the meanings provided in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(ii) the term ''investment adviser'' has the meaning provided in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)); and

(iii) the term ''investment company'' has the meaning provided in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a–3).

(D) FURTHER DEFINITION BY REGULATION.—The Federal Trade Commission, after consultation with Federal banking agencies and the Securities and Exchange Commission, may prescribe regulations clarifying or describing the types of institutions which shall be treated as financial institutions for purposes of this subtitle.

Mr. MARKEY (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The gentleman from Massachusetts (Mr. MARKEY) is recognized for 5 minutes.

Mr. MARKEY. Mr. Speaker, the recommittal motion that we are going to vote upon in 10 minutes will contain three elements. It will contain the amendment of the gentlewoman from California (Ms. LEE) on insurance redlining, which she won in the Committee on Banking and Financial Services, but the Committee on Rules would not put in order. It will include the amendment of the gentleman from California (Mr. CONDIT) and the gentleman from California (Mr. WAXMAN), which ensures that full medical privacy protections are guaranteed. They are not in this bill; and third, that the financial privacy amendment, which I won in the Committee on Commerce, but not put in order out here, is also voted upon.

Remember, in the Oxley amendment, telemarketing is prohibited by unaffiliated companies of a bank holding company but telemarketing of the financial data is not stopped inside the bank holding company.

We are going to prohibit that tonight in the recommittal motion.

Mr. Speaker, I yield to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, when I appeared before the Committee on Rules yesterday, I said there were a number of corrections or amendments that should be offered. First of all, I said please restore a provision that the Committee on Banking and Financial Services adopted or at least allow us to offer it as an amendment. That dealt with a prohibition against redlining against an insurance company when the insurance company wants to affiliate with a bank. That is in the Markey motion to recommit.

I also said I was very troubled by the Ganske amendment because although it is extremely well intentioned, the exceptions to it one could drive a Mack truck through it right now, and it might be construed as preempting the ability to articulate through regulation more broad sweeping privacy protections.

Also, at that time, the Markey amendment would have been a substitute for the excellent privacy provisions that have been worked out in a bipartisan fashion. I can support the bill but the bill would be improved tremendously by the motion to recommit.

Mr. MARKEY. Mr. Speaker, I yield to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank my colleague, the gentleman from Massachusetts (Mr. MARKEY) for yielding and

for his consistent hard work on behalf of our consumers.

Mr. Speaker, I wanted to support a reasonable financial services modernization bill and I worked very hard with my colleagues to include important consumer protections and privacy measures as this bill moved to the floor. Unfortunately, however, the Republicans refused to accept these amendments, and made matters worse by wiping out an adopted anti-redling provision to require the insurance industry to comply with the Fair Housing Act and not discriminate against the poor, minorities and people who live in neighborhoods redlined by the insurance industry.

We have not allowed banks to discriminate. Why should we allow the insurance industry to discriminate?

We did not adopt this amendment to stall this bill as one of my Republican colleagues accused me of earlier. We adopted this amendment to provide equal opportunity for all Americans. The Committee on Rules, by whatever unDemocratic means they used in a blatant, arrogant misuse of their power, deleted this important, agreed-upon amendment. This overt violation of the legislative process is outrageous and really should be illegal. It is an example of governmental lawlessness.

Let us restore some integrity to this process and vote for this motion to recommit

Mr. MARKEY. Mr. Speaker, I yield to the gentleman from California (Mr. CONDIT).

Mr. CONDIT. Mr. Speaker, I rise in support of the recommittal motion and am opposed to H.R. 10. Let me simply just say the reason that I oppose H.R. 10 and support the motion to recommit is section 351.

This section of the bill should have been deleted. The privacy part related to medical records is inadequate. It does not have consumer consent. The definition of the consent under this section on page 371 is too vague. The health research part of the bill creates loopholes for drug companies and marketing firms. Patients rights, they simply do not exist; no access to a person's own health records. A person cannot even get their own records and have control over them. There is no redress if a person's privacy is violated; no restrictions on third party entities from disclosing personal information to marketing firms or other parties.

We ought to do this right on behalf of the American people.

It is important that we do this bill H.R. 10, but it is not more important than us protecting people's privacy. That should be our main thrust in this bill is to make sure that the people of this country can count on us to protect their privacy.

Mr. MARKEY. Mr. Speaker, this is a pure substance vote. These are the votes the bankers did not want to be taken. The reason they did not want them to be taken is because they are so hard. Yes, we are going to offer full medical privacy protection to all of people's records.

□ 2300

This is a straight up-or-down substantive vote. Yes, we are going to give full financial protection. It does not make any difference whether it is some third party or the bank themselves, we have a right to say no. If we want all of these services from this new financial structure, we can take advantage of them, but we might be part of the 10 percent or 20 percent or 30 percent, in the same way that we have an unlisted phone number, we just might not want anyone telemarketing to us, even from our bank, going through all of our checks. Just say no.

Thirdly, the point of the gentlewoman from California (Ms. LEE) on the insurance industry, why should it be any different on redlining? Why should not her community and all the poorer communities of the country have those kinds of protections?

When Members vote for recommital, it goes straight into the bill, it is part of it, and then we vote final passage. If Members vote no, they are voting not to put it in the bill right now. Recommital does not go back to the committee, it just goes right to that desk and into the bill immediately.

This is a straight substance vote. Please, vote for the recommital motion, and Members have made this a good financial services modernization bill for the banks and for the American people.

Mr. LEACH. Mr. Speaker, I rise in opposition to the motion.

The SPEAKER. The gentleman from Iowa (Mr. LEACH) is recognized for 5 minutes.

Mr. LEACH. First, Mr. Speaker, let me express my appreciation for the thoughtfulness of the concerns of the proponents of this motion.

At the risk of presumption, I would stress that the majority and the minority are not as far apart as the rhetoric might lead a listener to this debate to expect.

There are two principal aspects to the amendment. One relates to the Lee amendment on redlining, which some of us on this side differ with, and others, like myself, find quite reasonable.

The other relates to privacy. Here I would simply note that the bill before us represents the greatest expansion of privacy rights in modern day finance. Indeed, it represents, in the words of the gentlewoman from Oregon (Ms. HOOLEY), a movement far further than she would have ever have dreamed.

In the words of the gentleman from Massachusetts (Mr. MARKEY), it is a good step forward. Actually, it is not one but a number of steps forward. Let me mention six.

One, there is a mandatory disclosure by financial institutions of privacy policies.

Two, there are consumer opt-out choices to prevent the sale of confidential information to unaffiliated third parties.

Three, there is a medical opt-in choice to prevent the transfer of a consumer's medical information without the consumer's consent.

Four, there is a prohibition on disclosure of consumer account numbers to third party telemarketers.

Five, there are new privacy enforcement mechanisms for financial institution regulators.

Six, there is a prohibition on pretext calling. This is a policy where individuals can call up an institution and claim they are someone else and get their information, and now that is outlawed.

To object to this bill on final passage will be to vote against these privacy protections. Indeed, the biggest privacy vote of all our careers in the United States Congress will be on final passage of this bill. Let me repeat, the biggest privacy vote of all our careers in Congress will be on final passage of this bill.

Now, what is the amendment before us? Basically, the amendment before us subtracts one feature of the bill and adds another. What it subtracts is the provision of the gentleman from Iowa (Mr. GANSKE) which imposes important new protections for health and medical privacy. I have never known a more misunderstood provision, so let me stress what the Ganske provision does.

It imposes a broad prohibition on the disclosure by an insurance company or its affiliates of individually identifiable health, medical, and genetic information, unless the customer expressly consents to such disclosure.

If Members strip this provision of H.R. 10 from the bill, they are leaving customers of financial companies without any medical privacy protections, thereby leading to precisely the kinds of privacy umbrages that the opponents of the language claim they want to prevent.

In this regard, I would stress again that there is no intent in this bill to preempt executive branch actions or jeopardize any confidences associated with doctor-patient relationships, nor the privacy protections currently afforded any medical records.

Indeed, the intent is to strengthen these protections. To the degree that more precision in this area is required, this gentleman is prepared to work in conference to ensure that that occurs.

What is it that this amendment adds? It adds a restriction on the ability of financial institutions to share consumer information with affiliates that are all part of the same financial organization.

Unfortunately, there is some question whether this proposed restriction

on affiliate information-sharing might needlessly and dramatically increase costs for consumers and financial institutions, reduce consumer convenience, impair fraud detection and prevention, and deny consumers new cost-effective products.

It is the intention of the various committees of jurisdiction, including the Committee on Banking and Financial Services, to hold hearings on this issue in the near future. This Member has an open mind. The concerns I raise are questions without definitive answers.

Accordingly, at this time, I would urge caution, and only ask that Members recognize the historical nature of the extraordinary expansion of privacy protection contained in this bill.

In conclusion, I urge an enthusiastic yes vote on final passage, again, final passage on the greatest privacy expansion in the history of American finance, and a preliminary no vote on the Markey motion to recommit until the consequences of his approach receive careful scrutiny in the hearings process.

I thank all, friend and foe, for their courtesies.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. MARKEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—yeas 198, nays 232, not voting 5, as follows:

[Roll No. 275]

YEAS—198

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rogan
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NAYS—232

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—5

Brown (CA)
Fossella
Green (TX)
Lipinski
Pelosi

□ 2323

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LEACH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 343, noes 86, not voting 6, as follows:

[Roll No. 276]

AYES—343

Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Cardin
Carson
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Cook
Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode

Goodlatte
Goodling
Gordon
Goss
Graham
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Strickland
Stump
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Tiahrt
Toomey
Towns
Traficant
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOES—86

Abercrombie
Baldwin
Barrett (WI)
Barton
Bonilla
Brady (PA)
Brady (TX)
Brown (OH)
Campbell
Capps
Capuano
Chenoweth
Clay
Coburn
Combest
Condit
Conyers
Costello
Coyne
Cummings
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Edwards
Eshoo
Evans
Farr
Fattah
Filner
Frank (MA)
Gejdenson
Granger
Hefley
Hilliard
Hinchey
Hoekstra
Inslee
Jackson (IL)
Kaptur
Kleczka
Kucinich
LaHood
Lampson
Lantos
Lee
Lewis (GA)
Lofgren
Luther
Markey
Martinez
McCarthy (MO)
McDermott
McKinney
Meehan
Mica
Miller, George
Mink
Moran (KS)
Nadler
Obey
Olver
Ortiz
Paul
Payne
Peterson (MN)
Phelps
Rivers
Rodriguez
Roybal-Allard
Sanders
Schakowsky
Serrano
Stark
Stenholm
Stupak
Tancredo
Taylor (MS)
Thornberry
Thurman
Tierney
Turner
Waters
Waxman
Woolsey

NOT VOTING—6

Archer
Brown (CA)
Fossella
Green (TX)
Lipinski
Pelosi

□ 2332

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 10.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PROVIDING FOR CONDITIONAL ADJOURNMENT OF THE SENATE AND HOUSE

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent to call up from the Speaker's table the Senate concurrent resolution (S. Con. Res. 43) providing for conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives, and ask unanimous consent for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 43

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, July 1, 1999, Friday, July 2, 1999, or Saturday, July 3, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 12, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, July 1, 1999, or Friday, July 2, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 12:30 p.m. on Monday, July 12, 1999, for morning-hour debate, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

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

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 236 is laid on the table.

There was no objection.

AUTHORIZING SPEAKER, MAJORITY LEADER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS NOT WITHSTANDING ADJOURNMENT

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, July 12, 1999, the Speaker, majority leader, and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 14, 1999

Mr. REYNOLDS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 14, 1999.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1300

Mr. FROST. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1300.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF HON. THOMAS M. DAVIS TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS UNTIL JULY 12, 1999

The SPEAKER laid before the House the following communication:

WASHINGTON, DC,
July 1, 1999.

I hereby appoint the Honorable THOMAS M. DAVIS to act as Speaker pro tempore to sign

enrolled bills and joint resolutions through July 12, 1999.

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

The SPEAKER. Without objection, the appointment is accepted.

There was no objection.

RECOGNIZING LATE UNC-CHAPEL HILL CHANCELLOR MICHAEL HOOKER

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

Mr. ETHERIDGE. Mr. Speaker, I rise today to honor the memory of Michael Hooker, the Chancellor of the University of North Carolina. This Nation has lost a great educator, and I have lost a good friend.

Chancellor Hooker passed away Tuesday in the midst of his own service to the public after a courageous battle with cancer. He was just 53 years of age. Our prayers go out to his family.

In his 4 years at UNC, Chancellor Hooker established a reputation as a driven leader with a firm vision for North Carolina's future. He was committed to making UNC the best public university in the Nation. Hooker earned the respect of students, faculty and the citizens of North Carolina with his confidence and enthusiasm. Chancellor Hooker forged a strong bond with many students by meeting them on their own turf. He was a regular at UNC's dining halls and recreation centers and even was spotted crowd surfing in the student section during a UNC basketball game against their rival Duke University.

Mr. Speaker, as the former superintendent of my State and as the father of a UNC graduate, I know firsthand what an outstanding man Michael Hooker was. I worked with him on many projects. His vision and leadership will have a lasting impact on both the University and the citizens of North Carolina for years to come. Rest in peace, Michael Hooker.

He is survived by his wife, Carmen; his daughter, Alexandra; his mother Christine Hooker; and two stepdaughters, Jennifer and Cyndi Buell. Our prayers go out to his family.

Michael Hooker grew up in the coal country of Southwestern Virginia, where he quickly leaned the value of education. Michael once said that his parents decided to have only one child to better commit their attention to his education. His parents' commitment paid off, as Michael earned his bachelor's degree in philosophy from UNC in 1969. After his graduation, he went on to great success, rising from a teaching post at Harvard University to the Presidency of Vermont's Bennington College at the young age of 36. Hooker then spent six years leading the University of Maryland-Baltimore County and another three years as the president of the University of Massachusetts system before returning to North Carolina to lead his alma matter into the 21st century.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. OSE). 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.

WE ARE WEARING THEM OUT: WHY WE NEED TO INCREASE ARMY TROOP STRENGTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, this year, at the urging of the Joint Chiefs of Staff and other senior military leaders, Congress has taken some critically important steps to improve military pay and benefits. Both the House and the Senate have now approved versions of the Fiscal Year 2000 Defense Authorization Bill that provide higher than requested pay raises for service personnel and reforms the pay table to better reward personnel who have performed particularly well and that repeal reductions in military retirement benefits enacted in 1986.

Although there remain minor differences between the two chambers on some details, service members can be assured that these much needed and much deserved improvements in pay and benefits are on the way.

I hope that the fine young men and women who serve in our Nation's military will see this as evidence that we appreciate what they are doing, that we are aware of how hard they are working, and that we understand, to some degree at least, the tremendous personal sacrifices we ask them to make for our country.

□ 2340

Having addressed pay and benefits, it is now time for the leaders in the military services and for the Congress to consider other critical steps to ease the burdens of military service. First and foremost in my mind is the need to stop imposing dreadfully excessive day-to-day demands on large parts of the force. The Congress is approving better pay and benefits in the hope that these measures will help stem the hemorrhage of high quality people from the force and ease recruitment of some new high quality people. Pay table reform in particular is designed to encourage the best of the best, the people whose work has led to rapid promotion, to stay in the service for a full career. But service members are not leaving the force simply or mainly because they are not being paid enough. Nobody makes the armed forces a career because of the financial rewards. Rather, too many good people are leaving because we are wearing them out.

Let me emphasize that point again, Mr. Speaker, we are wearing them out. While it is not true of all parts of the force, for too many service members and too many key military specialties, their lives have become a never-ending and often unpredictable cycle of stand-ups and stand-downs; of preparation for exercises, exercises and recovery from exercises; of preparation for deployment abroad, deployment in often tense missions overseas, and of recovery from deployment; of temporary duty assignments to fill out units engaged in exercises or in missions abroad, or of working doubly hard at home to take up the slack caused by the loss of people on temporary duty assignments, and on and on. Unless we take steps to reduce the number of days many service members spend away from home, unless we ease the intensity and constancy of periods of overwork, unless we improve the predictability of periods away from home, unless we do all of these things, the extra pay and benefits we are providing will have but little effect in preserving a high quality, well-trained, ready military force.

All of the military services suffer from the problem of overwork to one degree or another. And all of the services are taking steps to try to ease the workload. Today, however, I want to talk in particular about the state of the Army, where I believe the underlying problems are most deep-rooted and where measures to ameliorate the problem will have to be most far reaching.

To put it bluntly, the Army today is too small. It is not big enough to carry out all of the responsibilities assigned to it without wearing out too many of its best people. We need a bigger Army. How much bigger? I will not at this time venture to say. I do not know whether we need 5,000 more people in the Army or 20,000 or 40,000. But I know we need more. For the record, in testimony before the House Committee on Armed Services in January 1996, Lieutenant General Ted Stroup, who was then the Army personnel chief, said the Army should be at 520,000 active duty troops, which is 40,000 more than is currently authorized.

I believe as well that we cannot afford to follow through on measures to reduce further the size of the Army National Guard and Reserve components. They, like the active Army, have been reduced enough. Instead of shrinking them further, we need to work on measures to improve the way in which reserve components can help, even more than they have, to ease the strains on the active part of the force.

To his credit, the new Chief of Staff of the Army, General Eric Shinseki, has begun already to raise the issue of personnel levels. In his confirmation hearing before the Senate Armed Services Committee 3 weeks ago, General Shinseki opened the door to a discussion of troop levels, saying, ''It would

be a bit premature for me to tell you that raising the end strength right now is the right call. But I think it is a legitimate concern.'' He clarified that comment a bit more last week in his first press conference as Chief of Staff when he said that he suspects the Army will decide it needs more troops after it completes its current review of Army requirements, called ''Total Army Analysis—2007,'' over the next few months.

While I look forward to the results of ''TAA–07,'' for me the question is not whether the Army should pursue an increase of some significant magnitude in its personnel strength—the question is how much and how fast. And I think the sooner the Army leadership begins to make the case for a necessary increase, the better Congress will be prepared to address it, and, more importantly, the sooner the troops will feel that some relief is coming. To explain my reasoning, I want to walk through, step by step, how shortfalls in Army personnel levels have developed in the post-Cold War period and how they have affected the people in the service.

To begin with, like the other services, the Army has drawn down force levels substantially since the end of the Cold War. At the end of fiscal year 1987, the Army had 780,000 active duty troops. At the end of fiscal year 1999, the Army's authorized end-strength will be down to 480,000 troops, which is 38% less. In fact, the Army is actually falling considerably short of its authorized troop level—as of April 30 of this year, there were 469,314 active duty troops in the service.

The Army's cut in end-strength is roughly commensurate with cuts in the size of the force structure, that is, in the number of units in the force. Over the last 12 years, the Army has come down from 18 active divisions to 10, which is a reduction of 44%. The number of brigades has come down somewhat less, because almost all Army divisions are now wholly filled with active duty units rather than some being filled with round-out units from the National Guard, as in the past.

As it has turned out, however, simply shrinking Cold War troop levels in proportion to cuts in the Cold War force structure has not been appropriate in coping with post-Cold War demands on the force. The root cause of the problem is that the Army has deliberately maintained—in the post Cold-War environment as it did during the Cold War—a somewhat larger force structure than it has people to fill. If you take a table or organization for the entire active duty Army today, and count up all the jobs in the organization—including combat jobs, headquarters staff, training, medical, and other support positions—you will come up with a requirement for about 540,000 full time uniformed personnel. As I said, the Army actually has an authorized end-strength of 480,000, which is 60,000 troops, or about 11 percent, below the level need to fully man the organizational structure.

During the Cold War, and to some degree even today, it made sense to fall somewhat short of filling all the Army's positions. As the Defense Department has said in its annual ''Manpower Requirements Report,''

During peacetime, it is neither necessary nor desirable to fill all positions in all units. Some units may not be staffed at all, due to a lack of funding or because we can fill them in an expeditious manner following mobilization. Some units may be staffed with a combination of active and reserve people. As a unit is tasked to perform more in peacetime, the proportion of full-time people, whether active, reserve, or civilian, may be expected to increase.

This explains the underlying premise of the manning policies of the Army, and, to differing degrees, of the other services. In peacetime, units deployed on missions and units designated to deploy early in a conflict, are maintained at full or close-to-full manning levels, while units designated to deploy later and many support activities are maintained at lower levels. In the event of a conflict, critical needs can be filled by reassigning people within the force or by tapping other sources of personnel—including recent retirees who still have an obligation or members of the individual ready reserve, IRR, which is mainly composed of people who have not reenlisted after completing their contractual tours of duty, but who also have a period of obligation remaining.

This system makes sense if you are preparing for an all-out war with the Soviet Union and its allies, as in the Cold War, or for two major theater wars, as planners initially assumed in the post-Cold War era. If the prospect of a major conflict arises, then you do whatever it takes to get the force fully prepared—you take people out of the training system and put them into combat units; you mobilize reserve units and assign some personnel to active units to fill them out; you call back recent retirees and members of the individual ready reserve as needed to fill critical positions. The fully manned Army organization is really a wartime organization, which is not necessary to maintain in peacetime.

In the post-Cold War period, however, we have found that peacetime is not what it used to be. It is not a period in which the Army—or the other services—can focus simply on preparing for the most demanding conflicts in the future. The world is a dangerous place—now. Iraq and North Korea have simmered, threatening to flare into regional crises. India and Pakistan have tested nuclear weapons and are currently engaged in a territorial dispute. Peace in Bosnia and Kosovo confound a neat, easy solution. Terrorism still rears its ugly head. Since the end of the Cold War, our military has responded to an average of one crises or contingency a month, a pace of operations 300% greater than during the Cold War.

Some may argue that we should simply decrease our pace of operations. They would be wrong. The United States must remain engaged in the world. Our global engagement prevents the growth of malevolent powers that could threaten our security. Our engagement provides stability in a world more globally dependent than at any time in history. The world's stability affects our stability. It is simply in America's interests to shape the peace.

The post-Cold War era is a period in which forces have been required to prepare for major theater wars and also to participate in recurring peacekeeping operations, to maintain a constant, active forward presence, and to engage in an extraordinarily broad range of exercises and other activities, with long-time allies and former foes, as part of a policy of international engagement. Senior Army officers have said that this so-called ''peacetime'' has actually been as demanding for the force as a major theater war would be. There is, of course, one big difference—unlike a war, the current demands never go away. There is the strong possibility that if we continue with the high operational tempo, and I foresee no let-up, we will truly end up with a hollow Army.

A policy of not fully manning later deploying units and of not fully manning many critical support functions would make sense if peacetime were actually peaceful, such as during the 1920s and 1930s. But such a policy does not make sense when a wartime level of demand is constantly being imposed on precisely the forces that are deliberately being undermanned on the assumption that they can be built up in the event of a crisis. The effects of this policy have been very deterimental for large parts of the Army. Last year and this, subcommittees of the House Armed Services Committee held a number of hearings to explore the impact of the demanding post-Cold War pace of operations on personnel readiness in different services—including hearings in Norfolk, in Naples Italy, and in San Diego. Last year, at the request of the Committee, the General Accounting Office also surveyed personnel readiness in later-deploying active Army divisions.

While I won't go into great detail on what we learned from these investigations, I will highlight a few points that illustrate what I see to be the general situation. First of all, the Army, as I said earlier, has followed a policy of most fully manning early deploying divisions, while later-deploying units and many support units are less fully manned. The problem is that later-deploying units, by definition, are the units expected to be available for contingency operations, such as those in Somalia, Haiti, Bosnia, the Persian Gulf, and now Kosovo. In particular, later-deploying Army units include brigades deployed in Europe, where forces are expected not only to deploy to Bosnia and elsewhere, but also to be actively involved in engagement exercises with allies and others in the region.

When a Europe-based brigade sends part of its force into Bosnia, the units being deployed there have to be fully manned to carry out the mission. But this will further deplete a brigade that to begin with is manned at only 90% of total authorized strength. The problems become particularly acute because troop shortages are never evenly distributed. So if there is an Army-wide shortage at certain grades or in certain specialties, later-deploying units will be even shorter in those positions. Spending part of the force on a mission can virtually strip the remainder of the unit of key personnel. And because there is an Army-wide policy of not fully manning certain support positions, including positions as important to mission support as intelligence and communications, shortages in some areas leave some units with virtually no capability on hand.

The General Accounting Office survey I referred to gave some dramatic examples of the effect:

At the 3rd Brigade of the 1st Armored Division, only 16 of 116 M1A1 tanks had full crews and were qualified, and in one of the

Brigade's two armor battalions, 14 of 58 tanks had no crewmembers assigned because the personnel were deployed to Bosnia. In addition, at the Division's engineer brigade in Germany, 11 of 24 bridge teams had no personnel assigned.

[C]aptains and majors are in short supply Army-wide due to drawdown initiatives undertaken in recent years. The five later-deploying divisions had only 91 percent and 78 percent of the captains and majors authorized, respectively, but 138 percent of the lieutenants authorized. The result is that unit commanders must fill leadership positions in many units with less experienced officers than Army doctrine requires. For example, in the 1st Brigade of the 1st Infantry division, 65 percent of the key staff positions designated to be filled by captains were actually filled by lieutenants or captains that were not graduates of the Advanced Course.

There is also a significant shortage of the NCOs in the later-deploying divisions. Again, within the 1st Brigade, 226, or 17 percent of the 1,450, total NCO authorizations, were not filled at the time of our visit.

[T]o deploy an 800-soldier task force [to Bosnia] last year, the Commander of the 3rd Brigade Combat Team had to reassign 63 soldiers within the brigade to serve in infantry squads of the deploying unit, strip non-deploying infantry and armor units of maintenance personnel, and reassign NCOs and support personnel to the task force from throughout the brigade. These actions were detrimental to the readiness of the non-deploying units. For example, gunnery exercises for two armor battalions had to be canceled and 43 of 116 tank crews became unqualified on the weapon system.

Mr. Speaker, I know that other Members of the House have gone on their own fact-finding trips to Europe, and almost everyone comes back with the same story—that Army personnel would talk their ears off about shortfalls in personnel and the killing effect this has on the day-to-day operational tempo. These concerns come not mainly from forces actually deployed on missions, but from forces left behind to take up the slack. I am here to tell you that these are not just a few isolated cases—they reflect a very wide-spread situation in later-deploying Army units, because there just are not enough people to go around given the operational requirements.

To test that proposition, I asked the Army Legislative Liaison office to provide me with a rundown of the current personnel situation in each of the 10 active divisions. They did a good job of it—in particular I want to thank Lt. Col. Joe Guzowski and Lt. Col. Craig Deare for putting together very useful, well organized data very quickly. I am afraid I may have contributed a bit to the overwork problem I'm discussing here today, but, as usual, they came through.

The information they collected shows especially severe personnel shortfalls in units deployed in Europe, more isolated and less serious problems in some other later-deploying divisions, and generally good personnel levels in early-deploying divisions. Here are a few excerpts:

1st Infantry Division (Germany)

The Division is 94% assigned strength and 88% available strength and 86% deployable strength. Available senior grade is 88%. They have a shortage of 436 NCOs, 73% of their required Majors and 84% of required Captains, which continue to cause junior leaders to fill vacant positions.

The Division remains critical in maintenance supervisors, to include Aviation maintenance warrant examiners . . . which remain at 0% fill.

The Division's MI Military Intelligence battalion is below for the eleventh consecutive month and without extensive augmentation is not capable of performing sustained combat operations.

1st Armored Division (Germany) [Which will take on the KFOR mission in Kosovo]

[Due to] shortages of soldiers in critical division competencies resulting from deployment on contingency operations, the division cannot deploy to meet assigned . . . missions without augmentation and training time.

Personnel trained in critical division competencies are deployed on contingency operations. These training issues make the division unable to function effectively for division level operations without extensive assistance.

The continued downward trend in NCO strength (85%, short 724 NCOs) hinders the division's ability to provide adequate supervision and training.

4th Infantry Division (Fort Hood, Texas and Fort Carson, Colorado)

The division remains at borderline . . . Senior grade shortages continue to be primary concern. The [overall] personnel strength percentages continue to mask critical shortages.

Captains and Majors are short . . .

NCOs are short . . . [by] 450.

10th Infantry Division [Which is preparing to deploy to Bosnia]

The division's aggregate strength and infantry squad manning are at the highest levels in over 18 months and continue to improve. . . . NCO shortages were the primary reason for . . . failure.

The shortage of field artillery NCOs . . . is placing junior soldiers into critical positions that require a greater experience base to effectively lead gun crews. Of the 44 howitzers authorized, all are combat capable, but only 22 are fully manned and qualified.

[We] project [that] some subordinate units preparing to deploy will improve and units remaining on Fort Drum will decrease their overall C [readiness] ratings.

Mr. Speaker, the shortages in personnel in later deploying units and in many support positions is, in my view, seriously damaging the overall readiness of the Army. General Shinseki essentially acknowledged that in his confirmation hearing. The Army, he said, is currently able to meet its primary strategic mandate, which is to be prepared to prevail in two nearly simultaneous major theater wars. But the requirement to prevail in the second theater, he warned, could be accomplished only with "high risk."

In the vernacular of the military in the 1990s, Mr. Speaker, this is a carefully crafted way of saying that the situation is not acceptable. To say that the mission is "high risk" is to say at the very least that the Army would suffer unacceptably high casualties in the event of a conflict. Just as importantly, in my view, it is to say that the units involved are not able to attain the standards which the service has established. For the professional men and women who serve in the force, this is a terribly frustrating situation. It is reflected in complaints that units sent for exercises to the Army's combat training centers in California, Louisiana, and Germany are not as capable as they used to be because shortages have limited the extent and quality of preparatory training at their home bases. It is reflected in the difficulty the service has had in retaining its most highly skilled and accomplished personnel. It is reflected, as well, in evidence of increasing strains on military families caused by frequent and unplanned deployments and excessive workloads when people are at home.

Mr. Speaker, the Army has tried valiantly to adjust to the demands of the post-Cold War environment by managing shortfalls in personnel as best it could. The leadership of the Army has tried to ensure that first-to-fight units have what they need, and, for the rest, they have demonstrated remarkable creativity and flexibility in allocating personnel to fill urgent requirements created by contingency operations and other demands. They have done a good job. The U.S. Army remains the best in the world, and perhaps, the best Army ever in this country or elsewhere. When called upon to perform difficult and demanding missions, the Army has responded magnificently.

But this has come at a price. The continued high pace of operations, the continued turbulence in the force, the continued need to assign hundreds and even thousands of people to temporary duty, the need for others to work harder to make up for shortfalls—all of this is eroding the readiness of the force. The Army needs to work with Congress beginning today to fix the problem. We need to add enough personnel to the force to meet the demands of the post-Cold War world without wearing out so many of the wonderful men and women on whom our security depends. We are wearing them out, Mr. Speaker. It is up to Congress to correct the problem.

RETIREMENT SECURITY

The SPEAKER pro tempore (Mr. OSE). Under a previous order of the House, the gentleman from Ohio (Mr. PORTMAN) is recognized for 5 minutes.

Mr. PORTMAN. Mr. Speaker, I rise tonight to talk about retirement security. This Congress and the administration have I think appropriately made preserving Social Security a top priority for this year. But as this chart demonstrates, it is not enough to simply preserve Social Security. Our public Social Security system is only one part of our overall retirement security programs in this country. Specifically, I believe strongly that we need to take steps this year to significantly increase the availability of secure retirement savings by strengthening the private side, particularly the employer-provided pension side of our retirement system. This is a crucial issue for all Americans but particularly for baby boomers who are nearing retirement. The problem we face is significant.

Only about half of American workers have any kind of pension at all. This would include a 401(k), a traditional defined benefit plan, a profit-sharing plan and so on. About 80 percent of workers who are employed in smaller businesses that cannot afford because of the complexities of the current rules to offer plans do not have a plan, so about 20 percent have a pension plan. Studies show us that baby boomers right now are only saving about 40 percent of what they will need for their retirement needs. Finally, the personal savings rate in our country is at historic lows. In fact, the Commerce Department tells us that last month, the savings rate in the United States was minus 1.2 percent. Historically low. This is all the funds that are being saved in this country for retirement and other needs.

So how can people help themselves? How can people save more for their retirement? We have got a plan to do that. I have introduced a piece of legislation with the gentleman from Maryland (Mr. CARDIN) which increases that third leg of retirement security, which is again the private employer-based pension system, 401(k)s, 457s, 403(b) plans, defined benefit plans, profit-sharing plans and so on. The legislation is comprehensive and it is designed to correct all the deficiencies we see in our current system but, simply put, it lets workers save more for their own retirement. It makes it less costly and burdensome for employers, particularly small employers, to establish new pension plans or to improve their own plans they have already got.

Finally, we modernize the pension laws to make them more in tune with the current mobile workforce of the 21st century. How do we do this? We increase contribution limits. For instance, 401(k) contribution limits are increased from $10,000 per year to $15,000 per year, allowing workers to save more for their own retirement. We have catch-up contributions, allowing any worker age 50 or over to put an additional $5,000 aside for retirement. This will be particularly good for women who have been out of the workforce raising kids and then come back into the workforce and want to build up a nest egg for their retirement. We drastically increase portability, allowing people to roll over their pension savings from job to job, whether they are in the private sector, the government sector or the nonprofit sector. These are long overdue changes that are absolutely necessary again to respond to the much more mobile workforce of the next century. We also lower the vesting requirement for matching employer contributions from 5 years where it is now to 3 years to give more Americans the ability to get involved in pension plans.

Finally, we cut red tape. The increasing complexities of the laws governing pensions, both in the private sector and the nonprofit and public sector have discouraged the growth of pension plans. For small businesses in particular, the costs, the burdens and the liabilities associated with pensions are the main reason that companies are not offering these plans. This legislation takes steps to cut the unnecessary red tape that I think has put a real stranglehold on our pension system.

Who are these changes going to benefit the most? They benefit everybody. That is what is great about them. If we look at this chart, it will show us that at least 70 percent of current pension recipients, those who are retired and receiving pensions, make incomes of $50,000 or less. So this is something that is really going to help the people who need the help the most. The next chart will show us that among those people who are involved in pensions who are getting pension benefits right now, 77 percent are middle and lower income workers. Again, by taking actions today to expand our pension savings, we are going to help the people who need the most help in saving for their retirement.

This is a chance for this Congress to help all Americans do what people want to do, which is to provide for a retirement that is secure, to have increasing independence in retirement, to have more dignity in retirement. Imagine the impact we could have in this country if the 60 million Americans who currently do not have retirement savings through a pension of their own would be able to get that kind of retirement security. Again, Social Security reform is very important. I support preserving the Social Security system. But this is an opportunity this Congress ought to take today and ought to pass this year to enable all Americans to have dignity and independence and security in retirement.

□ 2350

TRIBUTE TO CHANCELLOR MICHAEL HOOKER OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

The SPEAKER pro tempore (Mr. OSE). Under a previous order of the House, the gentleman from North Carolina (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of North Carolina. Mr. Speaker, this week the University of North Carolina at Chapel Hill lost a bold leader when its eighth chancellor, Michael Hooker, died from complications of cancer. Memorial services will be held at 11 o'clock tomorrow morning on the UNC Chapel Hill campus.

During a short 4-year tenure Chancellor Hooker brought a great vision to the university, constantly pushing Carolina with the declared goal of making it the greatest public university in the Nation. His legacy will live in the university community and beyond, wherever the impact of his enthusiasm and his leadership were felt.

Mr. Speaker, Michael Hooker had an abiding love for Carolina. When he came to Chapel Hill to serve as Chancellor in 1995, he was returning to his school to which he had first come as a young man from the mountains of southwest Virginia and which he always felt had opened up the wider world to him. He graduated from Carolina in 1969, the first member of his family to graduate from college. He had a degree in philosophy. After earning graduate degrees in philosophy, he taught at Harvard, he held posts at Johns Hopkins University and then served as president of Bennington College in Vermont, the University of Maryland Baltimore County and the five campus University of Massachusetts system.

But Michael Hooker always wanted to return to Carolina. He brought to the job of Chancellor a spirit of innovation, seeking to build on the traditions of America's oldest public university. He believed that education is our greatest engine of opportunity, and he reached out to the entire State to share his belief. His administration's theme was: ''For the people,'' and he crisscrossed North Carolina visiting every county to promote his vision and to renew the university's connection to the State.

When students came to Chapel Hill, they knew they would be taught in a way that prepared them for the challenges of the 21st century. Hooker said, and I am quoting:

In the 21st century the only thing that will secure competitive advantage for our regional, State and national economies is the extent to which we have developed, nutured, fostered, cultivated, and deployed brain power.

Students will remember his active involvement in making their education reflect those values. He emphasized the need for increased access to computers and technology, made this a priority for UNC students, and he recruited and supported teachers who were willing to cross disciplinary boundaries and to innovate in their teaching methods.

North Carolinians who knew Michael Hooker will remember his energy for innovation and for effective teaching, his belief in the promise of a great public university and his passion for leading Carolina into the next century.

My wife and I are sad for the loss suffered by Michael's wife, Carmen, their family and our entire community. I deeply regret that Michael will not be with us to see his bold vision unfold. However, I am comforted in the knowledge that so many people are prepared to carry that vision forward, embracing the traditions that shaped Carolina and its late chancellor and shepherding the spirit of inventiveness and boldness that Michael Hooker embodied.

ENOUGH IS ENOUGH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, we often hear people stand up in front of this microphone and start out by saying, ''It is about,'' when they are going to talk about what it is about. Well, in fact in this body it is about taxes. No matter what else we say, no matter what else we do here, it is about taxes. It is the life blood that drives every other thing we do in this body, and the extent to which we can defend our country and incarcerate criminals and carry out all the other essential functions of government depends upon our ability to extract money from the population and pay for those services.

But when is enough enough? Is it enough, Mr. Speaker, to take 40 percent of the income of the average family in America today for taxes? Is it enough to take 20 percent of the gross domestic product of this country every year now in taxes? Is that enough, Mr. Speaker? I suggest it is not only enough, I suggest it is far too much. That is why today I have introduced the bill that we refer to here as the 10 top terrible tax act. This is a bill to actually eliminate, not just reduce certain taxes, but actually eliminate certain taxes so that they cannot grow back again. We want to pull them up by their roots.

Mr. Speaker, this is the only way that we can actually begin to reduce the size and scope of government. We talk about that here on this floor, and we talk about it in legislative bodies all over this country, reducing the size and scope of government. How many times have we heard that phrase? And yet nothing seems to actually accomplish the task of reducing the size and scope of government. There seems to be a commitment to that philosophy, but it does not work.

Mr. Speaker, one reason it does not work is because we do not put a constraint on the life blood of these legislative bodies, and that life blood, I repeat, are the tax dollars that we extract in the population. Well, this does begin to put that constraint on that life blood flow, and it does begin to reduce the size and scope of government and its intervention into our lives which has grown far too great.

Mr. Speaker, at 40 percent of the income of a family, I repeat 40 percent, and 20 percent of our gross domestic product it is too much. Something has to give, and if we just simply reduce the rate of taxation, it is far too easy to come back within a year or 2 years and simply increase it again. That is easy to do. But it is very difficult to actually come back and replace a tax that has been eliminated.

Mr. Speaker, that is why we have identified 10 taxes that are legitimate targets for us to attack as being able to be eliminated, gone, erased from the books, not there any more:

The estate tax, estate and gift tax, more commonly and appropriately referred to as the death tax; it is currently as high as 55 percent, and we want to phase that out over a 10 year period and completely repeal it by December 1, 2099. The E-rate universal tax; that is a euphemism, E-rate is a euphemism, for a tax. It is a tax that has been put on phone bills that did not even come through this body as an actual tax bill. It is a special friend, a special sort of tax of the Vice President. It is oftentimes referred to as the Gore tax, and appropriately so.

Next is the excise tax on telephones and other communication services. My friends, this is the 3 percent tax that was put on telephones when they were a luxury item in 1898 in order to fund the Spanish-American war. Let me tell my colleagues it is over, the war is over, and we do not need this tax any more.

The marriage penalty tax discrepancy in the Tax Code that results in a higher tax burden for married couples; let us get rid of it.

The capital gains tax, currently up to 20 percent of gain would be phased out over a 10 year period. Let us get rid of it.

The excise tax on vaccines, on vaccines. Do you hear me? Seventy-five cents per dose imposed on certain vaccines sold in the United States; this should be repealed by January 1, 2000. Why are we taxing vaccines, let me ask.

Excise tax on sport fishing equipment.

The 1993 income tax increase on Social Security benefits.

The double tax on interest and dividends.

The 1993 increase in motor fuels tax.

Mr. Speaker, all these should be gone, and they can be. We can live without it, believe it or not. We can live without this.

I want to enter into the RECORD, if I could, Mr. Speaker, the comments here from the Americans for Tax Reform and other organizations that have supported the bill, and I ask my colleagues to do so. It is enough.

AMERICANS FOR TAX REFORM,
Washington, DC, July 1, 1999.

Hon. TOM TANCREDO,
Washington, DC.

DEAR REPRESENTATIVE TANCREDO: On behalf of its 90,000 members and its 3,000 state and local taxpayer groups across the nation, Americans for Tax Reform strongly supports your ''Top Ten Terrible Tax Act of 1999.''

As you already know, American families already pay on average almost forty percent of their income on taxes, be it federal, state, or local. That is more than food, shelter, and clothing combined.

The Top Ten Terrible Tax Act of 1999 would eliminate excessive taxes and provide every American with tangible tax relief. By uprooting the death and gift taxes, the telephone universal service charge, the 3% telephone excise tax, the marriage penalty tax, the capital gains tax, the excise tax on vaccines, the excise tax on sport fishing equipment, the 1993 income tax increase on social security benefits, the double taxation on interest and dividends, and the 1993 motor fuel tax increase, taxpayers will be able to improve their quality of life and save more for education and retirement.

I thank you for your leadership in taking a step in the right direction to providing fundamental tax reform.

Sincerely,

GROVER G. NORQUIST.

CONGRESS SHOULD REFORM DEATH TAXES

At a Denver Business Journal Family Business conference earlier this year, Coors Brewing President Peter Coors made an interesting point about estate taxes.

These so-called death taxes make it much harder for corporations to pass ownership down from one generation to the next. They speed the demise of local businesses and the rise of cookie-cutter consolidations because the consolidators are able to use stock and cash to buy out family businesses and address the inheritance tax issue.

Congress is likely to take up the inheritance tax issue in the next session. Maybe they should hear from Peter Coors and people like him.

DECLARATION OF INDEPENDENCE FOR THE RECORD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 1 minute.

Mr. SCHAFFER. Mr. Speaker, the House will adjourn in approximately 1 minute. In Washington, D.C., the Nation's Capital, 12 o'clock is midnight, is the time for us to finish. It would be, I think the House would be in remiss, if we were not to reflect upon the occasion for our recess over the next week. A remarkable story, 223 years in the making, the founding of our Nation, our Declaration of Independence, the 4th of July, recalls the memory and the scene of those brave individuals in Philadelphia who declared our independence.

I do not know, Mr. Speaker, that the Declaration of Independence has ever been entered into our RECORD, but I would ask now that the Declaration be added to the CONGRESSIONAL RECORD:

THE DECLARATION OF INDEPENDENCE—A TRANSCRIPTION—IN CONGRESS, JULY 4, 1776

THE UNANIMOUS DECLARATION OF THE THIRTEEN UNITED STATES OF AMERICA

When in the Course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the earth, the separate and equal station to which the Laws of Nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.—

That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed,—That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.—Such has been the patient sufferance of these Colonies; and such is now the necessity which constrains them to alter their former Systems of Government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute Tyranny over these States. To prove this, let Facts be submitted to a candid world.

He has refused his Assent to Laws, the most wholesome and necessary for the public good.

He has forbidden in Governors to pass Laws of immediate and pressing importance, unless suspended in their operation till his Assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other Laws for the accommodation of large districts of people, unless those people would relinquish the right of Representation in the Legislature, a right inestimable to them and formidable to tyrants only.

He has called together legislative bodies at place unusual, uncomfortable, and distant from the depository of the public Records, for the sole purpose of fatiguing them into compliance with his measures.

He has dissolved Representative Houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.

He has refused for a long time, after such dissolutions, to cause others to be elected; whereby the Legislative powers, incapable of Annihilation, have returned to the People at large for their exercise; the State remaining in the mean time exposed to all the dangers of invasion from without, and convulsions within.

He has endeavored to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new Appropriations of Lands.

He has obstructed the Administration of Justice, by refusing his Assent to Laws for establishing Judiciary powers.

He has made Judges dependent on his Will alone, for the tenure of their offices, and the amount and payment of their salaries.

He has erected a multitude of New Offices, and sent hither swarms of Officers to harrass our people, and eat out their substance.

He has kept among us, in times of peace, Standing Armies without the Consent of our legislatures.

He has affected the render the Military independent of and superior to the Civil power.

He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his Assent to their Acts of pretended Legislation:

For Quartering large bodies of armed troops among us:

For protecting them, by a mock Trial, from punishment for any Murders which they should commit on the Inhabitants of these States:

For cutting off our Trade with all parts of the world:

For imposing Taxes on us without our Consent:

For depriving us in many cases, of the benefits of Trial by Jury:

For transporting us beyond Seas to be tried for pretended offences

For abolishing the free System of English Laws in a neighbouring Province, establishing therein an Arbitrary government, and enlarging its Boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these Colonies:

For taking away our Charters, abolishing our most valuable Laws, and altering fundamentally the Forms of our Governments:

For suspending our own Legislatures, and declaring themselves invested with power to legislate for us in all cases whatsoever.

He has abdicated Government here, by declaring us out of his Protection and waging War against us.

He has plundered our seas, ravaged our Coasts, burnt our towns, and destroyed the lives of our people.

He is at this time transporting large Armies of foreign Mercenaries to compleat the works of death, desolation and tyranny, already begun with circumstances of Cruelty & perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the Head of a civilized nation.

He has constrained our fellow Citizens taken Captive on the high Seas to bear Arms against their Country, to become the executioners of their friends and Brethren, or to fall themselves by their Hands.

He has excited domestic insurrections amongst us, and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian Savages, whose known rule of warfare, is an undistinguished destruction of all ages, sexes and conditions.

In every stage of these Oppressions We have Petitioned for Redress in the most humble terms: Our repeated Petitions have been answered only by repeated injury. A Prince whose character is thus marked by every act which may define a Tyrant, is unfit to be the ruler of a free people.

Nor have We been wanting in attentions to our British brethren. We have warned them from time to time of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred to disavow these usurpations, which, would inevitably interrupt our connections and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity, which denounces our Separation, and hold them, as we hold the rest of mankind, Enemies in War, in Peace Friends.

We, therefore, the Representatives of the united States of America, in General Congress, Assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the Name, and by Authority of the good People of these Colonies, solemnly publish and declare, That these United Colonies are, and of Right ought to be Free and Independent States; that they are Absolved from all Allegiance to the British Crown, and that all political connection between them and the State of Great Britain, is and ought to be totally dissolved; and that as Free and Independent States, they have full Power to levy War, conclude Peace, contract Alliances, establish Commerce, and to do all other Acts and Things which Independent States may of right do. And for the support of this Declaration, with a firm reliance on the protection of divine Providence, we mutually pledge to each other our Lives, our Fortunes and our sacred Honor.

The 56-signatures on the Declaration appear in the positions indicated:

[COLUMN 1]

Georgia: Button Gwinnett, Lyman Hall, George Walton.

[COLUMN 2]

North Carolina: William Hooper, Joseph Hewes, John Penn.

South Carolina: Edward Rutledge, Thomas Heyward, Jr., Thomas Lynch, Jr., Arthur Middleton.

[COLUMN 3]

Massachusetts: John Hancock.

Maryland: Samuel Chase, William Paca, Thomas Stone, Charles Carroll of Carrollton.

Virginia: George Wythe, Richard Henry Lee, Thomas Jefferson, Benjamin Harrison, Thomas Nelson, Jr., Francis Lightfoot Lee, Carter Braxton.

[COLUMN 4]

Pennsylvania: Robert Morris, Benjamin rush, Benjamin Franklin, John Morton, George Clymer, James Smith, George Taylor, James Wilson, George Ross.

Delaware: Caesar Rodney, George Read, Thomas McKean.

[COLUMN 5]

New York: William Floyd, Philip Livingston, Francis Lewis, Lewis Morris.

New Jersey: Richard Stockton, John Witherspoon, Francis Hopkinson, John Hart, Abraham Clark.

[COLUMN 6]

New Hampshire: Josiah Bartlett, William Whipple.

Massachusetts: Samuel Adams, John Adams, Robert Treat Paine, Elbridge Gerry.

Rhode Island: Stephen Hopkins, William Ellery.

Connecticut: Roger Sherman, Samuel Huntington, William Williams, Oliver Wolcott.

New Hampshire: Matthew Thornton.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FOSSELLA (at the request of Mr. ARMEY) for today and tomorrow on account of traveling abroad with a USO tour in support of American troops serving overseas.

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. MCNULTY) to revise and

extend their remarks and include extraneous material:)

Mr. SKELTON, for 5 minutes, today.

Mr. PRICE of North Carolina, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. SCHAFFER) to revise and extend their remarks and include extraneous material:)

Mrs. JOHNSON of Connecticut, for 5 minutes, today.

Mr. PORTMAN, for 5 minutes, today.

Mr. GREEN of Wisconsin, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mr. TANCREDO, for 5 minutes, today.

Mr. SCHAFFER, for 5 minutes, today.

ADJOURNMENT

Mr. SCHAFFER. Mr. Speaker, pursuant to Senate Concurrent Resolution 43, and as the designee of the majority leader, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 43, 106th Congress, the House stands adjourned until 12:30 p.m. on Monday, July 12, 1999, for morning-hour debates.

Thereupon (at 12 o'clock midnight), pursuant to Senate Concurrent Resolution 43, the House adjourned until Monday, July 12, 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:

2817. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Recordkeeping—received June 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2818. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Economic and Public Interest Requirements for Contract Market Designation—received June 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2819. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Representations and Disclosures Required by Certain IBs, CPOs and CTAs—received June 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2820. A letter from the Under Secretary, Rural Development, Department of Agriculture, transmitting the Department's final rule—Community Programs Guaranteed Loans (RIN: 0575–AC17) received May 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2821. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—Group Risk Plan of Insurance (RIN: 0563–AB06) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2822. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Program to Assess Organic Certifying Agencies [Docket Number LS–99–04] (RIN: 0581–AB58) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2823. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize the transfer of certain resources to the Enhanced Structural Adjustment Facility/Heavily Indebted Poor Countries Trust Fund; to the Committee on Banking and Financial Services.

2824. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—National Flood Insurance Program (NFIP); Determining the Write-Your-Own Expense Allowance (RIN: 3067–AC92) received June 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

2825. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Share Insurance and Appendix—received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

2826. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Special Education—Training and Information for Parents of Children with Disabilities—received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2827. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—William D. Ford Federal Direct Loan Program (RIN: 1840–AC57) received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2828. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Alternative Fuel Transportation Program; Biodiesel Fuel Use Credit [Docket No. EE-RM–99–BIOD] (RIN: 1904–AB–00) received June 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2829. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions and Deletions—received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

2830. A letter from the General Counsel, Federal Retirement Thrift Investment Board, transmitting the Board's final rule—Expansion and Continuation of Thrift Savings Plan Eligibility; Death Benefits; Methods of Withdrawing Funds from the Thrift Savings Plan; and Miscellaneous Regulations—received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

2831. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the Plant Eriogonum apricum (inclusive of vars. apricum and prostratum) (Ione Buckwheat) and Threatened Status for the Plant Arctostaphylos myrtifolia (Ione Manzanita) (RIN: 1018–AE25) received May 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2832. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Migratory Bird Hunting; Withdrawal of Regulations Designed to Reduce the Mid-Continent Light Goose Population (RIN: 1018–AF05) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2833. A letter from the General Counsel, Department of Commerce, transmitting a draft of proposed legislation which would reauthorize and amend the National Marine Sanctuaries Act; to the Committee on Resources.

2834. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Bycatch Rate Standards for the Second Half of 1999 [Docket No. 961107312–7021–02; I.D. 052499E] received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2835. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Deep-water Species Fishery by Vessels using Trawl Gear in the Gulf of Alaska [Docket No. 990304062–9062–01; I.D. 0423699A] received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2836. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 [Docket No. 990304062–9062–01; I.D. 060899C] received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2837. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Whiting Closure for the Mothership Sector [Docket No. 981231333–9127–03; I.D. 052799E] received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2838. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod in the Western Regulatory Area in the Gulf of Alaska [Docket No. 990304062–9062–01; I.D. 060499C] received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2839. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation to amend the Foreign Agents Registration Act of 1938; to the Committee on the Judiciary.

2840. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation regarding the detention of criminal aliens; to the Committee on the Judiciary.

2841. A letter from the Rules Administrator, Federal Bureau of Prisons, Department of Justice, transmitting the Department's final rule—Correspondence: Return Address [BOP–1073–F] (RIN: 1120–AA69) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2842. A letter from the Rules Administrator, Federal Bureau of Prisons, Department of Justice, transmitting the Department's final rule—Federal Prison Industries (FPI) Inmate Work Programs: Eligibility [BOP–1062–F] (RAN: 1120–AA57) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2843. A letter from the Chief Financial Officer, Department of State, transmitting the Department's final rule—Visas: Documentation of Nonimmigrants—Passport and Visa Waivers; Deletion of Obsolete Visa Procedures and other Minor Corrections [Public Notice 3048] received May 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2844. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of VOR Federal Airways; Kahului, HI [Airspace Docket No. 97–AWP–35] (RIN: 2120–AA66) received June 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2845. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9 and C–9 (Military) Series Airplanes [Docket No. 98–NM–110–AD; Amendment 39–11177; AD 99–08–05 R1] (RIN: 2120–AA64) received June 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2846. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; International Aero Engines AG V2500–A1 and V2500–A5 Series Turbofan Engines [Docket No. 99–NE–37–AD; Amendment 39–11194; AD 99–13–01] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2847. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company Beech Models 45 (YT–34), A45 (T–34A, B–45), and D45 (T–34B) Airplanes [Docket No. 99–CE–22–AD; Amendment 39–11193; AD 99–12–02] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2848. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737–200C Series Airplanes [Docket No. 98–NM–273–AD; Amendment 39–11192; AD 99–12–08] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2849. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company Model 1900D Airplanes [Docket No. 98–CE–127–AD; Amendment 39–11191; AD 99–12–07] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2850. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; The New Piper Aircraft, Inc. Models PA–31, PA–31–300, PA–31–325, PA–31–350, and PA–31P–350 Airplanes [Docket No. 97–CE–32–AD; Amendment 39–11189; AD 99–12–05] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2851. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Alternate Compliance Program; Incorporations by Reference [USCG–1999–5004] (RIN: 2115–AF74) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2852. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. VN 411B Very High Frequency (VHF) Navigation Receivers [Docket No. 95–CE–91–AD; Amendment 39–11190; AD 99–12–06] (RIN: 2120–AA64) received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2853. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Flight Crewmember Flight Time Limitations and Rest Requirements—received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2854. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation relating to the management of non-excess property in the Department of Defense; jointly to the Committees on Armed Services and Government Reform.

2855. A letter from the Secretary of Commerce, Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled ''Voluntary Seafood Inspection Performance Based Organization Act of 1999''; jointly to the Committees on Agriculture, Commerce, Resources, and Government Reform.

2856. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a draft of proposed legislation entitled ''Intercountry Adoption Act''; jointly to the Committees on International Relations, the Judiciary, Education and the Workforce, and Ways and Means.

2857. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation which would implement proposals in the President's FY 2000 Budget to offset discretionary spending; jointly to the Committees on Agriculture, Commerce, Resources, Transportation and Infrastructure, Education and the Workforce, and Ways and Means.

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. COBLE: Committee on Judiciary. H.R. 1761. A bill to amend provisions of title 17, United States Code; with an amendment (Rept. 106–216). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Appropriations. Report on the Revised Suballocation of Budget Allocations for Fiscal Year 2000 (Rept. 106–217). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1431. A bill to reauthorize and amend the Coastal Barrier Resources Act; with an amendment (Rept. 106–218). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANADY: Committee on the Judiciary. H.R. 1691. A bill to protect religious liberty; with an amendment (Rept. 106–219). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 1180. A bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes; (Rept. 106–220 Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SENSENBRENNER (for himself, Mr. GORDON, and Mrs. MORELLA):

H.R. 2413. A bill to amend the National Institute of Standards and Technology Act to enhance the ability of the National Institute of Standards and Technology to improve computer security, and for other purposes; to the Committee on Science.

By Mr. TANCREDO (for himself, Mr. SCHAFFER, Mr. BURTON of Indiana, and Mr. BARR of Georgia):

H.R. 2414. A bill to amend the Internal Revenue Code of 1986 to eliminate certain particularly unfair tax provisions, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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.

By Mr. SMITH of New Jersey (for himself and Ms. MCKINNEY):

H.R. 2415. A bill to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes; to the Committee on International Relations.

By Mr. WELLER (for himself and Ms. DUNN):

H.R. 2416. A bill to amend the Internal Revenue Code of 1986 to provide incentives for the construction of public schools; to the Committee on Ways and Means.

By Mr. BARCIA (for himself and Mr. WU):

H.R. 2417. A bill to establish an educational technology extension service at colleges and universities; to the Committee on Science, and 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.

By Mr. BILIRAKIS (for himself, Mr. GREEN of Texas, and Mr. PALLONE):

H.R. 2418. A bill to amend the Public Health Service Act to revise and extend programs relating to organ procurement and transplantation; to the Committee on Commerce.

By Mr. BILIRAKIS (for himself, Mr. DEUTSCH, Mr. LATOURETTE, Mr. TAUZIN, Ms. BROWN of Florida, Mr. GREENWOOD, Mr. TOWNS, Mr. MCCOLLUM, Mr. CANADY of Florida, Mr. GILCHREST, Mr. KOLBE, Mr. BASS, Mrs. FOWLER, Mr. WALDEN of Oregon, and Mr. STEARNS):

H.R. 2419. A bill to amend title XVIII of the Social Security Act to reflect original Congressional intent by requiring that the new risk adjustment methodology for Medicare+Choice payment rates be implemented in a budget neutral manner, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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.

By Mr. TAUZIN (for himself, Mr. DINGELL, Mr. OXLEY, Mr. BONIOR, Mr. LEWIS of Georgia, Mr. DEAL of Georgia, Mr. GRAHAM, Mr. BOUCHER, Mr. RUSH, Mr. SHIMKUS, Mr. NORWOOD, Mr. SESSIONS, Mr. FOSSELLA, Mr. DICKS, Mr. BARCIA, Mr. HILL of Montana, Mr. BLUNT, Mr. HAYES, Mr. WYNN, Mr. BARTON of Texas, Mr. ETHERIDGE, Mr. TERRY, Mr. GREENWOOD, Mr. GANSKE, Mr. BURR of North Carolina, Mr. GILLMOR, Mr. BRYANT, Mr. SHADEGG, Mr. BONILLA, Mr. REYNOLDS, Mr. SWEENEY, and Mrs. MYRICK):

H.R. 2420. A bill to deregulate the Internet and high speed data services, and for other purposes; to the Committee on Commerce.

By Mr. BLAGOJEVICH (for himself, Mr. WAXMAN, and Ms. NORTON):

H.R. 2421. A bill to amend chapter 44 of title 18, United States Code, to regulate the sale and manufacture of certain armor piercing ammunition and armor piercing incendiary ammunition, and to regulate laser sights under the National Firearms Act; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, 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.

By Mr. BURTON of Indiana (for himself and Mr. GILMAN):

H.R. 2422. A bill to provide for the determination that Cuba is a major drug-transit country for purposes of section 490(h) of the Foreign Assistance Act of 1961; to the Committee on International Relations.

By Mr. CAMP (for himself and Mr. NEAL of Massachusetts):

H.R. 2423. A bill to amend the Internal Revenue Code of 1986 to repeal the motor fuel excise taxes on intercity buses; to the Committee on Ways and Means.

By Mr. JACKSON of Illinois (for himself, Mr. CAMPBELL, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Mr. TRAFICANT, Mr. FROST, Ms. LEE, Ms. SCHAKOWSKY, Ms. PELOSI, Mr. LANTOS, Mr. DEFAZIO, Mrs. CLAYTON, Mrs. MINK of Hawaii, Mr. CLAY, Mr. CUMMINGS, Mr. GEJDENSON, Mr. BROWN of California, Mr. OWENS, Mr. HILLIARD, Mr. BRADY of Pennsylvania, Ms. KILPATRICK, Mr. RODRIGUEZ, Mr. PASTOR, Mrs. CHRISTENSEN, and Ms. MCKINNEY):

H.R. 2424. A bill to require the Board of Governors of the Federal Reserve System to post on its premises notices to employees regarding the applicable provisions of title VII of the Civil Rights Act of 1964; to the Committee on Banking and Financial Services, and in addition to the Committees on Education and the Workforce, and Government Reform, 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.

By Mr. FARR of California (for himself, Mr. GREENWOOD, Ms. WOOLSEY, Mr. GILCHREST, Mr. BLUMENAUER, Mrs. CAPPS, Mrs. JOHNSON of Connecticut, Mrs. MORELLA, Mr. KENNEDY of Rhode Island, Ms. PELOSI, Mr. GEORGE MILLER of California, Mr. ABERCROMBIE, Mr. OLVER, Mrs. TAUSCHER, Mr. DEFAZIO, Mr. PALLONE, Mr. DELAHUNT, Mr. THOMPSON of California, Mr. ROMERO-BARCELO, Mrs. MINK of Hawaii, Ms. ESHOO, Mr. FALEOMAVAEGA, Mr. GUTIERREZ, Mr. UNDERWOOD, Mr. LANTOS, Mr. ORTIZ, Mr. PICKETT, Mr. BILBRAY, Mr. MEEHAN, Mr. MARKEY, Mr. BAIRD, Ms. HOOLEY of Oregon, Mr. HOUGHTON, Mrs. KELLY, Ms. LOFGREN, Ms. WATERS, Mr. KASICH, Mr. HOYER, Mr. MORAN of Virginia, and Ms. SCHAKOWSKY):

H.R. 2425. A bill to establish the Commission on Ocean Policy, and for other purposes; to the Committee on Resources.

By Mr. COSTELLO:

H.R. 2426. A bill to require truth-in-budgeting with respect to the on-budget trust funds; to the Committee on the Budget, and in addition to the Committee on Rules, 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.

By Mr. COX:

H.R. 2427. A bill to amend the Clean Air Act to remove a provision limiting States to proportionately less assistance than their respective populations and tax payments to the Federal government; to the Committee on Commerce.

By Mr. COYNE (for himself and Mr. HOLDEN):

H.R. 2428. A bill to suspend temporarily the duty on 11–Aminoundecanoic acid; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. MATSUI, Mr. HAYWORTH, and Mr. WATKINS):

H.R. 2429. A bill to amend the Internal Revenue Code of 1986 to establish a 5-year recovery period for petroleum storage facilities; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Ms. DUNN, and Mr. MCDERMOTT):

H.R. 2430. A bill to amend the Internal Revenue Code of 1986 to provide tax treatment for foreign investment through a United States regulated investment company comparable to the tax treatment for direct foreign investment and investment through a foreign mutual fund; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mrs. JOHNSON of Connecticut, Mr. RAMSTAD, Mr. WELLER, Mr. PORTMAN, and Mr. SAM JOHNSON of Texas):

H.R. 2431. A bill to amend the Internal Revenue Code of 1986 to permit the consolidation of life insurance companies with other companies; to the Committee on Ways and Means.

By Mr. FILNER (for himself, Ms. MCKINNEY, and Mr. MATSUI):

H.R. 2432. A bill to prohibit insurers from canceling or refusing to renew fire insurance policies covering houses of worship and related support structures, and for other purposes; to the Committee on Commerce, and in addition to the Committee on 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.

By Mr. GOODE (for himself, Mr. SISISKY, Mr. CONDIT, Mr. CRAMER, Mr. MORAN of Virginia, and Mr. SHOWS):

H.R. 2433. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of a refund for use by the Secretary of Health and Human Services in providing catastrophic health coverage to individuals who do not otherwise have health coverage; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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.

By Mr. GOODLING (for himself, Mr. BALLENGER, Mr. BOEHNER, Mr. HOEKSTRA, Mr. SAM JOHNSON of Texas, Mr. TALENT, Mr. GREENWOOD, Mr. GRAHAM, Mr. SOUDER, Mr. MCINTOSH, Mr. NORWOOD, Mr. SCHAFFER, Mr. DEAL of Georgia, Mr. HILLEARY, Mr. SALMON, Mr. TANCREDO, Mr. FLETCHER, Mr. DEMINT, and Mr. ISAKSON):

H.R. 2434. A bill to require labor organizations to secure prior, voluntary, written authorization as a condition of using any portion of dues or fees for activities not necessary to performing duties relating to the representation of employees in dealing with the employer on labor-management issues, and for other purposes; to the Committee on Education and the Workforce.

By Mr. GOODLING:

H.R. 2435. A bill to expand the boundaries of the Gettysburg National Military Park to include the Wills House, and for other purposes; to the Committee on Resources.

By Mr. GRAHAM (for himself, Mr. SMITH of New Jersey, and Mr. CANADY of Florida):

H.R. 2436. A bill to amend title 18, United States Code, and the Uniform Code of Military Justice to protect unborn children from assault and murder, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Armed Services, 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.

By Mr. JONES of North Carolina:

H.R. 2437. A bill to provide an exception from the enforcement of an accessibility construction requirement of the Fair Housing Act for certain buildings constructed in compliance with a local building code; to the Committee on the Judiciary.

By Mr. KLINK:

H.R. 2438. A bill to require specific Congressional authorization for the Secretary of the Interior to authorize construction of any visitor's center or museum in the proximity of or within the boundaries of Gettysburg National Military Park; to the Committee on Resources.

By Mr. KUCINICH:

H.R. 2439. A bill to ensure the efficient allocation of telephone numbers; to the Committee on Commerce.

By Mr. LAZIO:

H.R. 2440. A bill to provide for commemoration of the victory of freedom in the Cold War; to the Committee on Armed Services.

By Mr. LAZIO (for himself, Mr. REYNOLDS, Mr. TOWNS, Mr. COOK, Mr. FORBES, Mr. BILBRAY, Mr. LARGENT, Mrs. KELLY, Mr. BAKER, Mr. SWEENEY, Mr. ENGEL, Mr. CROWLEY, Mr. SESSIONS, Mr. BARTON of Texas, Mr. SCHAFFER, Mr. DEAL of Georgia, Mr. RILEY, Mr. GILLMOR, Mrs. MALONEY of New York, Mr. BRYANT, Mr. DELAY, Mr. SHAYS, Mr. MEEKS of New York, Mr. PALLONE, Mr. BURR of North Carolina, Mr. ARMEY, Mr. TAUZIN, and Mr. HALL of Texas):

H.R. 2441. A bill to amend the Securities Exchange Act of 1934 to reduce fees on securities transactions; to the Committee on Commerce.

By Mr. LAZIO (for himself, Mr. ENGEL, Mrs. MORELLA, Ms. PELOSI, Mr. BAKER, Mr. BERMAN, Mr. BOEHLERT, Mr. BRADY of Pennsylvania, Mr. CAMPBELL, Mr. CROWLEY, Ms. DELAURO, Mr. FORBES, Mr. FOSSELLA, Mr. FRANKS of New Jersey, Mr. GEJDENSON, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HINCHEY, Mrs. KELLY, Ms. KILPATRICK, Mr. KING, Mr. LAFALCE, Mr. LAMPSON, Mr. LIPINSKI, Mr. LOBIONDO, Ms. LOFGREN, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. MALONEY of Connecticut, Mrs. MALONEY of New York, Mr. MARTINEZ, Mr. MASCARA, Ms. MCKINNEY, Mr. GEORGE MILLER of California, Mr. NADLER, Mr. OLVER, Mr. OWENS, Mr. PASCRELL, Mr. PALLONE, Mr. ROTHMAN, Mr. TOWNS, Mr. TRAFICANT, Mr. UNDERWOOD, Mr. WU, Mr. FARR of California, Mr. BROWN of California, Mr. WEXLER, Ms. BERKLEY, Mr. NEAL of Massachusetts, Mr. MATSUI, Mr. BLAGOJEVICH, Mr. GILMAN, Mr. WAXMAN, Mr. DOYLE, Mrs. LOWEY, Mr. SMITH of New Jersey, Mr. WEINER, Mr. STUPAK, Mrs. MINK of Hawaii, Mr. DEUTSCH, and Mr. ACKERMAN):

H.R. 2442. A bill to provide for the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgement of such injustices by the President; to the Committee on the Judiciary.

By Mrs. LOWEY (for herself, Mrs. MCCARTHY of New York, Ms. DELAURO, Ms. JACKSON-LEE of Texas, Ms. SCHAKOWSKY, Mrs. MALONEY of New York, Mrs. NAPOLITANO, Ms. CARSON, Ms. NORTON, Ms. WOOLSEY, Ms. LOFGREN, Ms. MILLENDER-MCDONALD, Ms. LEE, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MINK of Hawaii, and Mr. WEINER):

H.R. 2443. A bill to amend chapter 44 of title 18, United States Code, relating to the regulation of firearms dealers, and for other purposes; to the Committee on the Judiciary.

By Mrs. MALONEY of New York (for herself, Ms. PELOSI, Mr. UNDERWOOD, Mr. FILNER, Mr. OLVER, Mr. GREEN of Texas, Mr. RUSH, Mrs. CLAYTON, Mr. SHOWS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MEEKS of New York, Mr. BROWN of California, Ms. ROYBAL-ALLARD, Ms. SCHAKOWSKY, Mr. BENTSEN, and Ms. JACKSON-LEE of Texas):

H.R. 2444. A bill to provide for an interim census of Americans abroad, the data from which shall be used in deciding whether to count such individuals in future decennial censuses; to the Committee on Government Reform.

By Mrs. MALONEY of New York (for herself, Mr. GILMAN, Mr. ENGEL, Mr. TOWNS, Mrs. MCCARTHY of New York, Mr. MCNULTY, Mr. NADLER, Mr. SERRANO, Mr. MENENDEZ, Mr. ACKERMAN, and Mr. HINCHEY):

H.R. 2445. A bill to amend the Employee Retirement Income Security Act of 1974, Public Health Service Act, and the Internal Revenue Code of 1986 to clarify the application of the mental health parity provisions to annual and lifetime visit or benefit limits, as well as dollar limits; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, 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.

By Mr. MATSUI (for himself, Mr. DOGGETT, Mr. BLUMENAUER, Mr. GEPHARDT, Mr. BONIOR, Mr. RANGEL, Mr. COYNE, Mr. LEVIN, Mr. CARDIN, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. JEFFERSON, Mrs. THURMAN, Mr. BECERRA, Mr. ALLEN, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr. BERMAN, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BROWN of Ohio, Mrs. CAPPS, Ms. CARSON, Mrs. CHRISTENSEN, Mr. CUMMINGS, Ms. DEGETTE, Ms. DELAURO, Mr. DIXON, Mr. DOOLEY of California, Mr. DOYLE, Mr. FARR of California, Mr. FATTAH, Mr. FROST, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOLT, Mr. LARSON, Mr. MALONEY of Connecticut, Mr. MEEHAN, Mr. MENENDEZ, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. NAPOLITANO, Ms. NORTON, Ms. PELOSI, Mr. SERRANO, Ms. SCHAKOWSKY, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mrs. JONES of Ohio, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. WAXMAN, Mr. WEYGAND, and Ms. WOOLSEY):

H.R. 2446. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax to holders of Better America BONDS; to the Committee on Ways and Means.

By Mr. MCDERMOTT (for himself, Ms. DUNN, Mr. INSLEE, Mrs. THURMAN, Mr. STARK, Mr. DICKS, and Mr. SMITH of Washington):

H.R. 2447. A bill to amend title XVIII of the Social Security Act to include in the calculation of Medicare+Choice payment rates under the Medicare program the costs attributable to medical services furnished to Medicare-eligible beneficiaries by medical facilities of the Department of Veterans Affairs and the Department of Defense; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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.

By Mrs. MINK of Hawaii:

H.R. 2448. A bill to amend the Immigration and Nationality Act to assure that immigrants do not have to wait longer for an immigrant visa as a result of a reclassification from family second preference to family first preference because of the naturalization of a parent or spouse; to the Committee on the Judiciary.

By Mr. NORWOOD (for himself, Ms. DEGETTE, Ms. SCHAKOWSKY, Mr. ENGLISH, Ms. RIVERS, Mr. POMBO, Mr. MCINTOSH, Mr. SHOWS, Mr. REGULA, Mr. BARR of Georgia, Mr. CHAMBLISS, Mr. LINDER, Mr. KINGSTON, Mr. COLLINS, Mr. ISAKSON, Mr. DEAL of Georgia, and Mr. GRAHAM):

H.R. 2449. A bill to amend the Federal Water Pollution Control Act relating to Federal facilities pollution control; to the Committee on Transportation and Infrastructure.

By Mr. OBERSTAR (for himself, Mr. WISE, Mr. TRAFICANT, Mr. DEFAZIO, Ms. NORTON, and Ms. MILLENDER-MCDONALD):

H.R. 2450. A bill to reform the safety practices of the railroad industry, to prevent railroad fatalities, injuries, and hazardous materials releases, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. RAMSTAD:

H.R. 2451. A bill to amend the Internal Revenue Code of 1986 to classify certain franchise operation property as 15-year depreciable property; to the Committee on Ways and Means.

By Mr. ROYCE (for himself, Mr. KASICH, Mr. TIAHRT, Mr. SANFORD, Mr. PAUL, Mr. SUNUNU, Mr. ROHRABACHER, Mr. HOSTETTLER, Mr. RADANOVICH, Mr. COBURN, Mr. DOOLITTLE, Mr. EHRLICH, Mr. LARGENT, Mr. PITTS, and Mr. SALMON):

H.R. 2452. A bill to dismantle the Department of Commerce; to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, Banking and Financial Services, International Relations, Armed Services, Ways and Means, Government Reform, the Judiciary, Science, and Resources, 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.

By Mr. SAXTON (for himself and Mr. ARMEY):

H.R. 2453. A bill to require certain conditions to be met before the International Monetary Fund may sell gold; to the Committee on Banking and Financial Services.

By Mr. SAXTON (for himself, Mr. YOUNG of Alaska, Mr. DINGELL, Mr. CHAMBLISS, Mr. PETERSON of Minnesota, Mr. PICKERING, Mr. HUNTER, Mr. CUNNINGHAM, and Mr. TANNER):

H.R. 2454. A bill to assure the long-term conservation of mid-continent light geese and the biological diversity of the ecosystem upon which many North American migratory birds depend, by directing the Secretary of the Interior to implement rules to reduce the overabundant population of mid-continent light geese; to the Committee on Resources.

By Mr. SHAYS (for himself, Mr. HILLIARD, Mr. LATOURETTE, and Mr. MCHUGH):

H.R. 2455. A bill to establish Federal penalties for prohibited uses and disclosures of individually identifiable health information, to establish a right in an individual to inspect and copy their own health information, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Government Reform, 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.

By Mr. SIMPSON (for himself, Mr. WALDEN of Oregon, Mr. HASTINGS of Washington, Mrs. CHENOWETH, Mr. SKEEN, and Mr. POMBO):

H.R. 2456. A bill to preserve the authority of the States over waters within their boundaries, to delegate the authority of the Congress to the States to regulate water, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Resources, 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.

By Ms. SLAUGHTER (for herself, Mrs. LOWEY, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BOUCHER, Mr. DELAHUNT, Ms. DELAURO, Mr. FROST, Mr. GREEN of Texas, Mr. HINCHEY, Ms. MILLENDER-MCDONALD, Mr. MORAN of Virginia, Ms. NORTON, Mr. REGULA, Mr. ROMERO-BARCELO, Mr. SANDERS, Mr. SANDLIN, and Mr. SERRANO):

H.R. 2457. A bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information or genetic services; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and 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.

By Mr. STARK (for himself and Mr. MARKEY):

H.R. 2458. A bill to amend the Internal Revenue Code of 1986 to provide a refundable caregivers tax credit; to the Committee on Ways and Means.

By Mrs. TAUSCHER (for herself, Mr. BONIOR, Mr. EDWARDS, Mr. FROST, Mr. HOYER, Mr. KENNEDY of Rhode Island, Mr. LARSON, Mr. MALONEY of Connecticut, Mr. ORTIZ, Mr. PICKETT, Mr. SISISKY, Mr. SKELTON, Mr. SPRATT, Mr. KING, Mr. THOMPSON of California, Mr. STENHOLM, Mr. JOHN, Mr. BOSWELL, Mr. ETHERIDGE, Ms. DELAURO, Mrs. THURMAN, Mr. CRAMER, Mr. DAVIS of Florida, Ms. PRYCE of Ohio, Mr. MARKEY, Mr. MOAKLEY, Mr. NEAL of Massachusetts, Mr. ALLEN, Mr. MOORE, Mr. TAYLOR of Mississippi, Mr. HINCHEY, Mr. HOLDEN, Mr. KLECZKA, Mr. LANTOS, Mr. WYNN, Mr. CLYBURN, Mr. LEWIS of Georgia, Mr. RANGEL, Mr. TANNER, Mr. CLEMENT, Mr. GORDON, Mr. WU, Mr. CLAY, Mr. HINOJOSA, Mr. FORD, Mr. EVANS, Mr. PAYNE, Ms. JACKSON-LEE of Texas, Mr. ROEMER, Mr. OBEY, Mr. CAPUANO, Mr. HILLIARD, Mr. VENTO, Mr. RODRIGUEZ, Mr. LUCAS of Kentucky, Mr. MATSUI, Mr. DIXON, Mr. TURNER, Mr. SANDLIN, Mr. KIND, Mr. ROTHMAN, Mr. OBERSTAR, Mr. HASTINGS of Florida, Mr. ENGEL, Mr. MEEKS of New York, Mr. LEVIN, Mr. HILL of Indiana, Mr. BALDACCI, Mr. HOEFFEL, Mr. UDALL of New Mexico, Mr. UDALL of Colorado, Mr. WEYGAND, Mr. KLINK, Mr. STUPAK, Mr. FATTAH, Mr. BRADY of Pennsylvania, Mr. MENENDEZ, Mr. GUTIERREZ, Mr. DICKS, Ms. VELÁZQUEZ, Mr. MCNULTY, Mr. BERRY, Mr. BISHOP, Mr. INSLEE, Mr. SCOTT, Ms. HOOLEY of Oregon, Mr. WATT of North Carolina, Mrs. CLAYTON, Mr. MORAN of Virginia, Mr. DOOLEY of California, Mr. SMITH of Washington, Mr. CONDIT, Mr. PHELPS, Mrs. LOWEY, Mr. CARDIN, Mr. BOYD, Mr. WEXLER, Mr. WEINER, Mr. LAMPSON, Mr. ANDREWS, Mr. BARRETT of Wisconsin, Mr. GEPHARDT, and Mr. BENTSEN):

H.R. 2459. A bill to authorize the President to award a gold medal on behalf of the Congress to General Wesley Clark and to provide for the production of bronze duplicates of such medal for sale to the public; to the Committee on Banking and Financial Services.

By Mr. TAYLOR of Mississippi (for himself, Mr. SHOWS, Mr. THOMPSON of Mississippi, Mr. WAMP, Mr. PICKERING, and Mr. WICKER):

H.R. 2460. A bill to designate the United States Post Office located at 125 Border Avenue West in Wiggins, Mississippi, as the ''Jay Hanna 'Dizzy' Dean Post Office''; to the Committee on Government Reform.

By Mr. TRAFICANT:

H.R. 2461. A bill to amend the Federal Election Campaign Act of 1971 to permit a corporation or labor organization to expend or donate funds for staging public debates between presidential candidates only if the organization staging the debate invites each candidate who is eligible for matching payments from the Presidential Election Campaign Fund and qualified for the ballot in a number of States such that the candidate is eligible to receive the minimum number of electoral votes necessary for election; to the Committee on House Administration.

By Mr. UNDERWOOD (for himself, Mr. YOUNG of Alaska, and Mr. GEORGE MILLER of California):

H.R. 2462. A bill to amend the Organic Act of Guam, and for other purposes; to the Committee on Resources.

By Mr. WATKINS (for himself and Mr. HINCHEY):

H.R. 2463. A bill to amend section 2007 of the Social Security Act to provide grant funding for additional Empowerment Zones, Enterprise Communities, and Strategic Planning Communities, and for other purposes; to the Committee on Ways and Means.

By Mr. WATKINS (for himself, Mr. MATSUI, Mr. CRANE, Mr. HERGER, and Mr. TRAFICANT):

H.R. 2464. A bill to amend the Internal Revenue Code of 1986 to provide that certain amounts received by electric energy, gas, or steam utilities shall be excluded from gross income as contributions to capital; to the Committee on Ways and Means.

By Mr. MICA (for himself, Mr. TRAFICANT, Mr. GILMAN, Mr. MCCOLLUM, Mr. PORTMAN, Mr. SESSIONS, Mr. SOUDER, Mr. BARR of Georgia, Mr. PITTS, Mr. STEARNS, Mr. KINGSTON, and Mr. OSE):

H.J. Res. 61. A joint resolution calling upon the Government of Mexico to undertake greater and more effective counterdrug measures, and for other purposes; to the Committee on International Relations.

By Mr. BONILLA (for himself, Mr. ADERHOLT, Mr. ARMEY, Mr. BAKER, Mr. BARR of Georgia, Mr. BARTON of Texas, Mr. BLUNT, Mr. BOEHNER, Mr. BRADY of Texas, Mr. BRYANT, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMPBELL, Mr. CANADY of Florida, Mr. CANNON, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. COBURN, Mr. COLLINS, Mr. COMBEST, Mr. COX, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DICKEY, Mr. DOOLITTLE, Mr. EHLERS, Mrs. EMERSON, Mr. FORBES, Mr. GRAHAM, Ms. GRANGER, Mr. HASTINGS of Washington, Mr. HEFLEY, Mr. HOSTETTLER, Mr. HUTCHINSON, Mr. ISTOOK, Mr. SAM JOHNSON of Texas, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. LATHAM, Mr. LINDER, Mr. LUCAS of Oklahoma, Mr. MCINTOSH, Mr. METCALF, Mr. GARY MILLER of California, Mrs. MYRICK, Mr. NETHERCUTT, Mrs. NORTHUP, Mr. NORWOOD, Mr. PACKARD, Mr. PAUL, Mr. PICKERING, Mr. POMBO, Ms. PRYCE of Ohio, Mr. RADANOVICH, Mr. ROHRABACHER, Mr. ROGAN, Mr. SCARBOROUGH, Mr. SCHAFFER, Mr. SESSIONS, Mr. SHADEGG, Mr. SKEEN, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SUNUNU, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. TIAHRT, Mr. UPTON, Mr. WAMP, Mr. WATTS of Oklahoma, and Mr. WICKER):

H. Con. Res. 148. Concurrent resolution expressing the sense of the Congress that the Internal Revenue Code of 1986 must be replaced with a new, low, single-rate system that is simple and fair, allowing the Internal Revenue Service, as we know it, to be abolished; to the Committee on Ways and Means.

By Ms. STABENOW:

H. Con. Res. 149. Concurrent resolution expressing the sense of Congress that access to affordable prescription drugs is critical to the quality of life of older Americans and that coverage for prescription drugs should be included in the Medicare Program as soon as possible, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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.

By Mr. STEARNS:

H. Con. Res. 150. Concurrent resolution to require the posting of the Ten Commandments in the House and Senate chambers; to the Committee on House Administration.

By Mr. BLILEY (for himself and Mr. OBERSTAR):

H. Res. 238. A resolution permitting payments to be made by employing authorities of the House of Representatives to reimburse Members, officers, and employees for qualified adoption expenses; to the Committee on House Administration.

By Mr. GARY MILLER of California (for himself, Mr. PITTS, Mr. HUTCHINSON, Mr. SCHAFFER, Mr. PICKERING, Mr. DELAY, Mr. ADERHOLT, Mr. GOODE, Mr. WATTS of Oklahoma, Mr. DEMINT, and Mr. ENGLISH):

H. Res. 239. A resolution expressing the sense of the House of Representatives with regard to obscenity and sexual objectification in the United States; to the Committee on the Judiciary.

By Mr. RANGEL:

H. Res. 240. A resolution providing for consideration of the bill (H.R. 1660) to amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools and to provide tax incentives for corporations to participate in cooperative agreements with public schools in distressed areas; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. BARTLETT of Maryland, Mr. BARR of Georgia, Mr. RYAN of Wisconsin, Mr.

SHADEGG, Mr. GILMAN, Mr. HORN, Mr. OXLEY, Mr. NORWOOD, Mrs. ROUKEMA, Mrs. KELLY, Mr. KLINK, Mr. SMITH of Texas, Mr. KING, Mr. ISTOOK, and Mr. WELDON of Pennsylvania.

H.R. 21: Mr. MCINTYRE.

H.R. 25: Mr. SAXTON.

H.R. 73: Mr. PETERSON of Minnesota and Mr. BARTLETT of Maryland.

H.R. 110: Mr. WEXLER.

H.R. 125: Mr. WYNN.

H.R. 175: Mr. SHERWOOD, Mr. BONIOR, Mr. BLUNT, Mr. LATOURETTE, Mr. GOODE, and Ms. BROWN of Florida.

H.R. 202: Mr. CAMPBELL and Mr. MCINTOSH.

H.R. 254: Mr. LEWIS of California.

H.R. 265: Mr. FOLEY.

H.R. 306: Mr. MOLLOHAN.

H.R. 329: Mr. PASTOR and Mr. WAXMAN.

H.R. 347: Mr. PICKETT and Mr. SIMPSON.

H.R. 355: Mr. OXLEY.

H.R. 371: Mr. SAWYER, Mr. MCNULTY, Ms. STABENOW, Mr. PITTS, Mr. CAPUANO, Mr. FORBES, and Mrs. JONES of Ohio.

H.R. 383: Mr. TAYLOR of North Carolina and Mr. SHAYS.

H.R. 393: Mr. BONIOR and Mr. DAVIS of Illinois.

H.R. 405: Mr. BAKER and Mr. KINGSTON.

H.R. 406: Mr. RYAN of Wisconsin.

H.R. 453: Mrs. LOWEY, Mr. ACKERMAN, Mr. FARR of California, Mr. BOEHNER, Mr. CASTLE, and Mr. WU.

H.R. 475: Mr. FILNER.

H.R. 530: Mr. KOLBE.

H.R. 557: Mrs. KELLY and Mr. VISCLOSKY.

H.R. 568: Mr. BROWN of California.

H.R. 580: Mr. PORTMAN.

H.R. 583: Mr. WU and Mr. GONZALEZ.

H.R. 605: Mr. MCINTOSH.

H.R. 612: Mr. COSTELLO and Mr. CONYERS.

H.R. 615: Mr. WELLER and Mr. BALLENGER.

H.R. 616: Mr. WELLER.

H.R. 637: Mr. TOWNS.

H.R. 692: Mr. SANFORD.

H.R. 701: Mr. SAWYER, Mr. ACKERMAN, Mr. SKELTON, Mr. MOLLOHAN, Ms. STABENOW, and Mr. GREEN of Texas.

H.R. 710: Mr. RYAN of Wisconsin, Mr. DELAY, Mr. THOMPSON of California, and Mr. RAHALL.

H.R. 716: Mr. TALENT.

H.R. 721: Ms. BALDWIN, Mr. BARRETT of Wisconsin, and Ms. MCCARTHY of Missouri.

H.R. 728: Mr. NORWOOD, Mr. BEREUTER, and Mrs. EMERSON.

H.R. 731: Mr. VENTO.

H.R. 735: Mr. TAUZIN.

H.R. 736: Mr. BARTLETT of Maryland.

H.R. 750: Mr. GILMAN.

H.R. 765: Mr. DEAL of Georgia.

H.R. 773: Mr. STRICKLAND.

H.R. 783: Mr. PASTOR.

H.R. 784: Mr. TANCREDO.

H.R. 789: Mrs. THURMAN, Mr. HOLDEN, and Mr. GREEN of Texas.

H.R. 804: Mr. ROGAN.

H.R. 809: Mr. MARTINEZ.

H.R. 827: Mrs. THURMAN, Mr. SANDLIN, and Mr. GONZALEZ.

H.R. 828: Mr. DAVIS of Illinois.

H.R. 844: Mr. LOBIONDO, Mr. PALLONE, Mr. CHABOT, Mr. MANZULLO, Mr. SANDLIN, Mrs. EMERSON, Mr. WALSH, Mr. GREEN of Wisconsin, Mr. NUSSLE, Mr. HOLT, Mr. WAMP, Mr. REYNOLDS, Mr. PACKARD, Mr. EHRLICH, Mr. LAZIO, Mr. DAVIS of Virginia, and Mr. BENTSEN.

H.R. 846: Mr. BONIOR and Mr. BERRY.

H.R. 864: Mr. WATTS of Oklahoma, Mr. LARGENT, Mr. LATOURETTE, Mr. HASTINGS of Washington, Mr. HALL of Ohio, Mr. SHERWOOD, Mrs. CUBIN, Mr. WYNN, and Mr. TAUZIN.

H.R. 865: Mr. CANADY of Florida, Mr. BILBRAY, and Mr. BUYER.

H.R. 896: Mr. DUNCAN.

H.R. 903: Mr. HILL of Indiana and Mr. GEJDENSON.

H.R. 904: Mr. WU.

H.R. 922: Mr. SHOWS and Mr. EWING.

H.R. 933: Mr. SHERMAN.

H.R. 953: Ms. SANCHEZ.

H.R. 961: Mr. KUCINICH, Mr. MASCARA, and Ms. KAPTUR.

H.R. 976: Mr. BAIRD and Mr. GREEN of Texas.

H.R. 987: Mr. SPENCE and Mr. THORNBERRY.

H.R. 1001: Mr. RANGEL.

H.R. 1032: Mr. BLILEY.

H.R. 1044: Mr. PETERSON of Pennsylvania.

H.R. 1054: Mr. FORBES.

H.R. 1070: Mr. WELLER.

H.R. 1082: Mrs. BIGGERT.

H.R. 1083: Mr. SAM JOHNSON of Texas, Mr. SIMPSON, Mr. KUYKENDALL, and Mr. TAUZIN.

H.R. 1093: Mr. MOAKLEY, Mr. UDALL of Colorado, Mr. THOMPSON of Mississippi, Ms. DANNER, Mr. MEEKS OF NEW YORK, Mr. NADLER, Mr. MOORE, Mr. KANJORSKI, and Ms. VELÁZQUEZ.

H.R. 1102: Mr. LATOURETTE, Mr. KANJORSKI, Mr. PICKETT, Mr. DICKS, and Ms. BERKLEY.

H.R. 1108: Mr. DAVIS of Illinois.

H.R. 1112: Mr. DAVIS of Illinois.

H.R. 1115: Mr. SAWYER, Mr. THOMPSON of Mississippi, Mr. SHAW, Mrs. MEEK of Florida, and Mr. SAXTON.

H.R. 1122: Mr. SHAW, Mr. PACKARD, Mr. DOYLE, Mr. HYDE, Mr. CAMPBELL, Mr. OBERSTAR, Mr. PAUL, Mr. BASS, Mr. MOAKLEY, Mr. DEAL of Georgia, Mr. NUSSLE, Ms. LOFGREN, Mr. ISAKSON, Mr. DEMINT, and Mr. PETERSON of Minnesota.

H.R. 1123: Ms. LEE.

H.R. 1142: Mr. CUNNINGHAM, Mr. TANCREDO, Mr. BALLENGER, Mr. LUCAS of Oklahoma, Mr. GARY MILLER of California, Mr. HUNTER, Mr. HAYES, Mr. MCINNIS, Mr. SOUDER, Mr. PACKARD, and Mr. SWEENEY.

H.R. 1168: Mr. SHOWS.

H.R. 1172: Mr. HALL of Ohio, Mr. BOUCHER, Mr. DOYLE, Mr. DOOLEY of California, Mr. ROGERS, Mr. CAPUANO, Mr. MCNULTY, Mr. ROGAN, Mr. CUMMINGS, Mr. MOLLOHAN, Mr. ACKERMAN, Mr. FLETCHER, Mr. MATSUI, Mr. RAMSTAD, Mr. GREENWOOD, and Ms. BALDWIN.

H.R. 1180: Mr. KING, Mr. PHELPS, and Mr. GIBBONS.

H.R. 1187: Mr. WEXLER and Mr. BLUNT.

H.R. 1194: Mr. GEJDENSON and Mr. WATKINS.

H.R. 1221: Mr. DEUTSCH and Mrs. MCCARTHY of New York.

H.R. 1248: Mr. REYES and Mr. DEUTSCH.

H.R. 1261: Mr. GRAHAM and Mr. ISAKSON.

H.R. 1291: Mr. ROGERS and Mr. HYDE.

H.R. 1300: Mr. HOUGHTON, Mr. SAXTON, Mr. LAZIO, and Mr. UPTON.

H.R. 1301: Mr. LAZIO, Mr. JENKINS, Mr. MURTHA, Mr. BEREUTER, Mr. LEACH, Mr. PHELPS, and Mr. COSTELLO.

H.R. 1303: Mr. THORNBERRY and Mr. BOUCHER.

H.R. 1304: Mr. KIND, Ms. KAPTUR, and Mr. WICKER.

H.R. 1310: Mrs. NORTHUP, Mr. CLAY, Mr. ROMERO-BARCELO, Mr. FARR of California, Mrs. JOHNSON of Connecticut, Ms. DUNN, Mr. HOUGHTON, Mr. LEACH, Mr. SOUDER, Mrs. EMERSON, Mr. SMITH of Michigan, Mr. FOLEY, Mr. CALLAHAN, and Mr. VENTO.

H.R. 1311: Mr. GALLEGLY, Mr. EVANS, Mr. OLVER, Mr. LIPINSKI, Mr. EWING, Mr. BACHUS, Mr. LAHOOD, Mrs. JOHNSON of Connecticut, Mr. HYDE, Mr. LEACH, Mr. MANZULLO, Mr. COSTELLO, Mr. DAVIS of Illinois, Mr. HOUGHTON, Mr. WALSH, Mrs. MORELLA, Mr. PICKETT, Mr. BLAGOJEVICH, Mrs. BIGGERT, Mr. BOYD, Mr. MCHUGH, Mr. COYNE, Mr. WELLER, Mr. BENTSEN, Mr. FRANK of Massachusetts, and Mr. VENTO.

H.R. 1322: Mr. WYNN.

H.R. 1333: Mr. HOUGHTON, Mr. MARTINEZ, Mr. THOMPSON of Mississippi, Mrs. MEEK of Florida, and Mr. CAPUANO.

H.R. 1336: Mr. CAMPBELL.

H.R. 1337: Mr. HUNTER and Mr. RYAN of Wisconsin.

H.R. 1344: Mr. KINGSTON.

H.R. 1354: Mr. HILL of Montana, Mr. BURTON of Indiana, Mr. NUSSLE, and Mr. RYAN of Wisconsin.

H.R. 1355: Mr. PALLONE.

H.R. 1356: Mr. GUTIERREZ and Mr. GREENWOOD.

H.R. 1358: Mr. WATKINS and Mr. GILMAN.

H.R. 1360: Mr. HOBSON.

H.R. 1388: Mr. DELAHUNT and Mr. OLVER.

H.R. 1392: Mr. SANDLIN and Mr. FROST.

H.R. 1443: Mr. WATT of North Carolina.

H.R. 1477: Mr. CRAMER and Mr. ROTHMAN.

H.R. 1495: Mr. OLVER.

H.R. 1505: Mr. MCINTOSH and Mr. EHRLICH.

H.R. 1507: Mr. STARK.

H.R. 1511: Mr. BACHUS.

H.R. 1544: Mr. SANDLIN.

H.R. 1547: Mr. SHOWS, Mr. CUNNINGHAM, Mr. BARCIA, Mr. SMITH of Washington, and Mr. RAHALL.

H.R. 1579: Mr. OXLEY, Mr. MANZULLO, Mr. SAWYER, Mr. CRAMER, Mr. CUNNINGHAM, Mr. SISISKY, Mr. DICKS, Mr. DIAZ-BALART, Mrs. EMERSON, Mr. SCHAFER, and Mr. PICKETT.

H.R. 1592: Mrs. CHENOWETH.

H.R. 1594: Mr. ORTIZ, Mr. REYES, Mr. HINOJOSA, Mr. RODRIGUEZ, Ms. SANCHEZ, Mr. SERRANO, Mr. MALONEY of Connecticut, Mr. MASCARA, Mr. RAHALL, Mr. KILDEE, and Mr. VENTO.

H.R. 1598: Mr. MCCRERY and Mr. SHAYS.

H.R. 1599: Mr. MCINTOSH.

H.R. 1601: Mr. EVANS, Ms. NORTON, Mr. DEAL of Georgia, Mr. ADERHOLT, Mr. LUTHER, and Mr. MARKEY.

H.R. 1621: Mr. BOUCHER.

H.R. 1624: Ms. ROYBAL-ALLARD, Ms. VELÁZQUEZ, Mr. FROST, Mr. PASTOR, Mr. KUCINICH, Mr. MARTINEZ, and Mr. WEYGAND.

H.R. 1630: Mr. DINGELL.

H.R. 1644: Mr. PICKETT.

H.R. 1645: Mr. DAVIS of Illinois.

H.R. 1646: Mr. SANDLIN.

H.R. 1682: Mr. CROWLEY, Mr. HOLT, Ms. HOOLEY of Oregon, Mr. FROST, and Mr. MORAN of Virginia.

H.R. 1685: Mr. MEEHAN, Mr. SKEEN, Mr. DICKS, Mr. RODRIGUEZ, Mr. THORNBERRY, Mr. CAPUANO, Mr. TALENT, Mr. OLVER, and Mr. MCGOVERN.

H.R. 1693: Mr. PALLONE and Mr. BENTSEN.

H.R. 1736: Mr. VENTO.

H.R. 1750: Ms. HOOLEY of Oregon.

H.R. 1760: Mr. MORAN of Kansas and Mr. BALDACCI.

H.R. 1776: Mr. HAYWORTH, Mr. HOLDEN, Mr. HOUGHTON, Mr. WAMP, Mr. HERGER, Mr. REYNOLDS, Mr. PASTOR, Mr. HAYES, Mr. DAVIS of Illinois, Mr. RYAN of Wisconsin, Mr. PETRI, Mrs. JOHNSON of Connecticut, and Mr. KUYKENDALL.

H.R. 1777: Mr. BALDACCI and Ms. BERKLEY.

H.R. 1788: Mr. BOYD, Mr. FOLEY, Mrs. THURMAN, and Mr. MCINTOSH.

H.R. 1810: Mr. EWING, Mr. EVANS, and Mr. PHELPS.

H.R. 1811: Mr. FRANK of Massachusetts.

H.R. 1812: Mr. TANCREDO.

H.R. 1816: Mr. MATSUI, Mrs. MINK of Hawaii, Mr. FROST, Mr. GREEN of Texas, Mr. SERRANO, and Mr. ROMERO-BARCELO.

H.R. 1821: Mr. CLYBURN, Ms. MCKINNEY, Ms. JACKSON-LEE of Texas, Mr. FARR of California, Ms. NORTON, Mr. BISHOP, Mr. WYNN, Ms. BALDWIN, Mr. TRAFICANT, Ms. WOOLSEY, Ms. MILLENDER-MCDONALD, Mrs. CHRISTENSEN, and Ms. SCHAKOWSKY.

H.R. 1827: Mr. SAM JOHNSON of Texas, Mr. KNOLLENBERG, Mr. GILMAN, Mr. RYAN of Wisconsin, and Mr. METCALF.
H.R. 1839: Mr. FILNER.
H.R. 1840: Mr. WICKER.
H.R. 1849: Mr. BERMAN.
H.R. 1862: Mrs. MCCARTHY of New York.
H.R. 1863: Mr. WALDEN of Oregon.
H.R. 1868: Mr. KIND and Mr. TANNER.
H.R. 1884: Mr. CLAY.
H.R. 1885: Ms. KILPATRICK, Mr. KUCINICH, Mr. ALLEN, Mr. HINCHEY, and Mr. DEFAZIO.
H.R. 1899: Mr. INSLEE, Mr. OWENS, Mr. KING, Ms. HOOLEY of Oregon, Mr. UDALL of New Mexico, Mr. SANDLIN, and Mr. SERRANO.
H.R. 1916: Mr. STENHOLM, Mr. BENTSEN, Mr. GREEN of Texas, Mr. EDWARDS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. HINOJOSA, Mr. GONZALEZ, Mr. ORTIZ, Mr. COLLINS, Mr. YOUNG of Alaska, Mr. GEORGE MILLER of California, Mr. UDALL of New Mexico, Mr. JOHN, and Mr. BOYD.
H.R. 1932: Mr. SWEENEY.
H.R. 1935: Mr. WYNN, Mr. GUTIERREZ, Ms. LOFGREN, and Ms. BALDWIN.
H.R. 1939. Mr. BONIOR, Mr. LANTOS, Mr. LATHAM, Mr. MCGOVERN, Mr. DAVIS of Illinois, and Mrs. THURMAN.
H.R. 1966: Mrs. THURMAN.
H.R. 1975: Mr. SANDLIN.
H.R. 1976: Mr. BOEHLERT, Mr. GILMAN, and Mr. HORN.
H.R. 1977: Mr. MORAN of Kansas.
H.R. 1983: Ms. KAPTUR.
H.R. 1992: Mr. CRAMER, Mr. BURR of North Carolina, Mr. KILDEE, and Mr. WICKER.
H.R. 1994: Mr. RYAN of Wisconsin.
H.R. 1995: Mr. PETERSON of Pennsylvania, Mr. BALLENGER, Mr. ROYCE, Mrs. MYRICK, Mr. SOUDER, Mr. PETRI, Mr. UPTON, Mr. EHLERS, Mr. HALL of Texas, Mr. GREENWOOD, Mrs. ROUKEMA, Mr. RADANOVICH, and Mr. HERGER.
H.R. 1996: Mrs. MEEK of Florida, Mr. MEEHAN, Mr. DAVIS of Illinois, Mr. BONIOR, Mr. GUTIERREZ, and Mr. ENGLISH.
H.R. 1998: Mr. LUTHER.
H.R. 1999: Mr. SABO.
H.R. 2000: Mr. PASTOR, Mr. JEFFERSON, Mr. FOLEY, Mr. INSLEE, Mr. WU, Mr. ISAKSON, and Ms. WOOLSEY.
H.R. 2004: Mr. TANCREDO.
H.R. 2018: Mr. RAMSTAD.
H.R. 2028: Mr. MANZULLO.
H.R. 2030: Mr. CAMP.
H.R. 2031: Mr. BALDACCI, Mr. LUCAS of Oklahoma, Mr. BOYD, Mr. GRAHAM, Mr. HOEKSTRA, Mr. LIPINSKI, and Mr. BONIOR.
H.R. 2039: Mr. KUCINICH.
H.R. 2056: Mr. TOWNS.
H.R. 2088: Mr. FLETCHER.
H.R. 2102: Mr. FOLEY, Mr. MOAKLEY, Ms. DUNN, and Mrs. EMERSON.
H.R. 2116: Mr. MCINTOSH.
H.R. 2125: Mr. BLAGOJEVICH, Mr. WYNN, Ms. ROS-LEHTINEN, Mr. DIAZ-BALART, Mrs. MALONEY of New York, Mr. WEXLER, and Mr. MATSUI.
H.R. 2136: Mrs. THURMAN.
H.R. 2137: Ms. DUNN.
H.R. 2138: Ms. DUNN.
H.R. 2139: Mr. MCCRERY.
H.R. 2166: Mr. MARTINEZ, Mr. PRICE of North Carolina, and Ms. SCHAKOWSKY.
H.R. 2193: Mr. THOMPSON of Mississippi, Mr. KUCINICH, and Mr. RUSH.
H.R. 2202: Mrs. TAUSCHER, Mr. INSLEE, Mr. SNYDER, Ms. SANCHEZ, and Ms. PELOSI.
H.R. 2221: Mr. COBURN.
H.R. 2227: Mr. KLECZKA.
H.R. 2241: Mr. CLAY, Ms. DANNER, and Mr. MCCOLLUM.
H.R. 2245: Mr. TERRY, Mr. RYAN of Wisconsin, Mr. TANCREDO, Mrs. BIGGERT, Mr. DEMINT, Mr. FLETCHER, Mr. GREEN of Wisconsin, Mr. HAYES, Mr. ISAKSON, Mr. KUYKENDALL, Mr. GARY MILLER of California, Mr. SIMPSON, Mr. SWEENY, Mr. VITTER, Mr. TOOMEY, Mr. WALDEN of Oregon, Mr. REYNOLDS, Mr. SHERWOOD, and Mr. OSE.
H.R. 2246: Mr. MOORE, Mr. BAKER, and Mr. BALDACCI.
H.R. 2247: Mr. ENGLISH.
H.R. 2252: Mr. THORNBERRY.
H.R. 2260: Mr. OXLEY, Mr. WOLF, Mr. MCINNIS, Mr. LIPINSKI, Mr. PEASE, Mr. RYUN of Kansas, Mr. JENKINS, Mr. HILL of Montana, Mr. COSTELLO, Mr. SUNUNU, Mr. CAMP, Mr. MASCARA, Mr. WICKER, Mr. WATKINS, Mr. FORBES, Mr. HALL of Ohio, Mr. PETRI, Mr. MCINTOSH, Mr. TAYLOR of North Carolina, and Mr. CHAMBLISS.
H.R. 2282: Mr. GREEN of Wisconsin, Mr. PAUL, Mr. ROEMER, Mr. PICKETT, and Mrs. KELLY.
H.R. 2283: Mr. PETERSON of Minnesota.
H.R. 2287: Ms. SCHAKOWSKY and Ms. WOOLSEY.
H.R. 2300: Mr. LUCAS of Oklahoma, Mrs. WILSON, Mr. THORNBERRY, and Mr. WICKER.
H.R. 2303: Mr. COYNE and Mr. HYDE.
H.R. 2305: Mr. MEEKS of New York.
H.R. 2306: Mrs. THURMAN.
H.R. 2308: Mr. MANZULLO, Mr. WATKINS, Mr. ENGLISH, Ms. DUNN, Mr. HULSHOF, and Mr. HERGER.
H.R. 2337: Ms. LOFGREN.
H.R. 2344: Mr. PRICE of North Carolina.
H.R. 2345: Ms. WOOLSEY.
H.R. 2372: Mr. SCARBOROUGH and Mr. PETRI.
H.R. 2377: Mr. BRADY of Pennsylvania and Mr. FATTAH.
H.R. 2381: Mr. NORWOOD.
H.R. 2389: Mr. GOODLATTE, Mr. STUPAK, Mr. RADANOVICH, Mr. SHOWS, Mrs. CHENOWETH, Mr. OBERSTAR, Mr. NETHERCUTT, Mr. TAYLOR of North Carolina, and Mr. WALDEN of Oregon.
H.J. Res. 55: Mr. DUNCAN, Mr. HUNTER, Mr. HOEKSTRA, Mr. HILL of Montana, Mr. SCHAFFER, and Mr. BARTON of Texas.
H. Con. Res. 57: Mr. PICKETT.
H. Con. Res. 60: Mr. WYNN, Mr. BURTON of Indiana, Mr. PORTER, Mr. ROYCE, and Mr. HALL of Ohio.
H. Con. Res. 62: Mr. MINGE and Mr. KLECZKA.
H. Con. Res. 64: Mr. SESSIONS.
H. Con. Res. 100: Mr. FRANK of Massachusetts, Mr. MARTINEZ, Mr. FILNER, Mr. ROGAN, Mr. VISCLOSKY, and Mr. WAXMAN.
H. Con. Res. 116: Mr. PASTOR.
H. Con. Res. 121: Mr. SMITH of New Jersey and Mr. WOLF.
H. Con. Res. 124: Mr. GREEN of Texas, Mr. CAPUANO, and Mr. RANGEL.
H. Con. Res. 128: Mr. LATOURETTE and Mr. BENTSEN.
H. Con. Res. 129: Mr. SHOWS, Mr. MANZULLO, Mr. DAVIS of Illinois, Ms. NORTON, and Mr. ARCHER.
H. Con. Res. 134: Ms. LOFGREN.
H. Con. Res. 140: Mr. GEJDENSON, Mr. TOWNS, Ms. MILLENDER-MCDONALD, Mr. SANFORD, Mr. ENGEL, and Mr. PAYNE.
H. Con. Res. 141: Mr. LAMPSON, Mr. HINOJOSA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BECERRA, Mr. OWENS, Ms. SCHAKOWSKY, Mrs. MEEK of Florida, Mr. BARRETT of Wisconsin, Mr. GEJDENSON, Mr. PASCRELL, Ms. DELAURO, Mr. BRADY of Pennsylvania, Mrs. CHRISTENSEN, Mr. BROWN of California, Mr. DEUTSCH, Mr. HUTCHINSON, Ms. BERKLEY, and Mr. WAXMAN.
H. Con. Res. 145: Mrs. THURMAN, Mr. ENGLISH, and Mr. WAXMAN.
H. Con. Res. 147: Mr. CUMMINGS.
H. Res. 89: Ms. NORTON, Mr. ADERHOLT, and Mr. WU.
H. Res. 107: Mr. DIXON, Mr. STARK, and Mr. MEEHAN.
H. Res. 164: Mr. BERRY, Mr. MINGE, and Mr. SANDLIN.
H. Res. 203: Mr. WELDON of Pennsylvania, Mr. METCALF, Mr. WYNN, Mr. FRANK of Massachusetts, Mr. ROMERO-BARCELO, Mrs. CAPPS, Mr. TIAHRT, Mr. BARCIA, Mr. LAHOOD, Mr. FRANKS of New Jersey, Mr. HALL of Ohio, Mr. GILMAN, Mr. MCNULTY, Mr. CASTLE, Mr. LOBIONDO, Mr. HOLDEN, Mr. GALLEGLY, Mr. SCHAFFER, and Mr. GREEN of Texas.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1300: Mr. FROST.

DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petitions were filed:

Petition 3, June 23, 1999, by Mr. DINGELL on House Resolution 197, was signed by the following Member: Robert C. Scott.

SENATE—*Thursday, July 1, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. We have a guest Chaplain today, Rev. Kenneth Lyons, Greater New Bethel Baptist Church, Jasper, TX. He is a guest of Senator HUTCHISON.

We are glad to have you with us.

PRAYER

The guest Chaplain, Rev. Kenneth Lyons, offered the following prayer:

Our Father, Your name be exalted above every name. Welcome in the name of Your Son, Jesus. We thank You for Your infinite love. You have looked beyond our faults as a government and a people and allowed us to enjoy the blessing of freedom, spiritually and physically.

Dear God, guide the minds of these Your ministers in the government of our country. Keep them ever mindful that they are instruments in Your service and for Your people, so that their lives may be peaceful in the world.

Lord, keep these Senators of this body and their families under Your wing. Grant them courage and boldness in this period of the history of our Nation. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore. Senator HUTCHISON is designated to lead the Senate in the Pledge of Allegiance.

The Honorable KAY BAILEY HUTCHISON, a Senator from the State of Texas, 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.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ABRAHAM. Mr. President, on behalf of the majority leader this morning, I make the following announcement to the Senate:

This morning the Senate will debate cloture on the motion to proceed to S. 557 for 1 hour, to be followed by a cloture vote at 10:30 a.m. If cloture is invoked, the leader will file a cloture motion on the pending amendment to S. 557, the Social Security lockbox legislation, and that cloture vote will occur at 10:30 a.m. on Friday, July 16. Following that action, Senator SPECTER will be recognized as if in morning business for up to 30 minutes.

The Senate will then resume consideration of the Treasury-Postal appropriations bill, with the hope of completing the bill during today's session of the Senate. Under a previous unanimous consent agreement, all amendments must be offered by 11:30 a.m. today. It may also be the intention of the leader to debate and vote on the Y2K conference report and to begin consideration of any other appropriations bills cleared for action. Therefore, Senators can expect votes throughout the day.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Texas is recognized.

REVEREND KENNETH LYONS

Mrs. HUTCHISON. Mr. President, I wish to make a comment about Reverend Lyons, who just opened our Senate session with a prayer, because he is a very special person to me and to the State of Texas and really to all Americans.

A little over a year ago, a heinous crime was committed in the small town of Jasper, TX, when James Byrd, Jr., was brutally murdered simply because of his race, dragged to death by three men in a pickup truck. The senseless killing riveted the Nation and many feared the outbreak of civil disorder. But Rev. Kenneth Lyons helped still the troubled waters. He is pastor of Greater New Bethel Baptist Church where James Byrd's family worshipped every Sunday.

Pastor Lyons spoke fearlessly to people of all races. He said, ''This must have been a divine wake-up call to the consciences of men. You can't fight fire with fire.'' He urged not vengeance but harmony and peace.

Reverend Lyons' wise leadership personified Abraham Lincoln's call to the ''better angels of our nature.'' He helped unite the people of Jasper, TX, in their commitment to equality and justice, to rise above hatred and despair.

Millions of Americans watched that small town of Jasper, TX, as it came together because of Reverend Lyons' plea for redemption and healing. Because of his faith and eloquence, we are better people.

RESPONSE IN JASPER, TEXAS

There are other heroes in Jasper, TX, and it was one of the great moments of my life to be able to go to Pastor Lyons' church and attend the burial ceremony for James Byrd, Jr., and to meet the kind of people who make this country what it is. I met James Byrd, Sr., and Mrs. Byrd, Renee Mullins, James Byrd, Jr.'s daughter, and his son. I met people who had just endured something that none of us ever want to have any of our family or friends ever endure. James Byrd, Sr., was saying: There is no hate here; there is love in this family.

That was the beginning of the healing process not only in Jasper, TX, but a model for America—when something we cannot possibly understand happens, someone steps forward and says we can't let this tear all of us down. James Byrd, Sr., started that process.

I want to talk about Billy Rowles, the Jasper County sheriff, who did not let one minute pass when he got that call on that fateful Sunday morning and he heard the beginning of what was going to be a nightmare for his town. Billy Rowles started making calls, and he said: This is not going to stand. We are going to have justice in Jasper County. We are going to have justice from what I am hearing over the phone on Sunday morning. And because of Billy Rowles' leadership, justice is on its way.

The mayor of Jasper is R.C. Horn. He was right there on the phone talking to Pastor Lyons, making calls to all of the clergy in Jasper, TX, that Sunday morning, setting the tone for what would be the message: That this community is not a bad community and I want every one of you in your pulpits on Sunday morning to say this is a community of love. Mayor Horn was one of those people who started the healing process.

Guy James Gray, the district attorney of Jasper County, was not going to let anything slip by. He was going to make sure the people who perpetrated this heinous crime would come to justice. Of the three people who have been accused, thanks to the good work of Guy James Gray, one has been convicted.

And there is Walter Diggles, the executive director of the Deep East Texas Council of Governments, always there behind the scenes, trying to help in this first week when all of the attention was focused on Jasper, TX. Jasper, TX, had never had the attention of the world focused on it.

But because of Walter Diggles, Billy Rowles, and Guy James Gray and Mayor Horn and the James Byrd, Jr. family, these people were able to withstand all the television cameras and all the people who came from outside to

give them advice they did not really need because they knew what was the right thing to do. They knew that to keep their community together they were going to have to talk about love, not hate. They did not need anybody coming in from outside to tell them that because they were speaking from the heart. They didn't have focus groups and they didn't have advisers and psychiatrists. They did not need organizers and spinmeisters because they were doing it from the heart. And they have created a model that every community will follow if it wants to keep a community together after a terrible tragedy.

I want to add one more to this list because I have never seen anything like what happened in the trial of the first of those accused of this murder. There you saw the father of the accused, named Ronald King, sitting in the courtroom every day, absolutely devastated by what his son was accused of doing. This father, who adopted this boy to give him a chance in life, sat in that courtroom in support of his son, but devastated at what he was hearing in the courtroom. Mr. King came out of that courthouse every day, and he said: I don't blame the Byrd family for any bad feelings that they would have, and I apologize to the Byrd family. I support my son and I love my son and I always will, Mr. King said, but he said I understand how James Byrd, Sr. and his family feel and my heart goes out to them.

James Byrd, Sr. reached back to Ronald King and he said: I understand your pain. This is not your fault, and we will be strong together.

Ronald King is a hero, too, because what Pastor Lyons and the city of Jasper and all of those I have mentioned have done for our country is to show us that the spiritual community can make a difference by preaching love when there is a lot of opportunity for hate, and how that divine love can keep a community together, can make us remember our strengths in this country, and not dwell on the weaknesses.

I applaud Jasper, TX, and these leaders and Pastor Lyons, whom we have heard today; James Byrd, Sr. and his family; and Ronald King, for showing us that this is a great country and we are going to take a terrible tragedy and we are going to make this country stronger, as I believe it is today, because of a very small group of people who didn't need national advisers to tell them what was right. In fact, they have shown us what is right about our country.

Thank you, Mr. President.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS—Motion to Proceed

CLOTURE MOTION

The PRESIDING OFFICER. There will now be 1 hour for debate prior to cloture vote on the motion to proceed. The time will be equally divided between the two leaders.

The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield myself such time as I may need to make an initial statement. Then we will have speakers on our side and work with the Democratic side to work out the remainder of the time.

Today is the 73rd day since we began the process of trying to move forward with a Social Security lockbox. I think, from every indication, we finally will begin to make some progress this morning. I hope this will be a rapid process from this point forward, that things will not be delayed much longer, and we can quickly come to some type of agreement for orderly consideration of this proposal.

It is vitally important we not delay any longer. Since we introduced this amendment on April 20, the following has taken place: $22.2 billion more of the Social Security surplus or almost 20 percent of this year's surplus has been put in danger of being raided. The House voted 416 to 12 to pass their own version of a lockbox, a version that we could not consider in this body. The President himself has endorsed the idea of a lockbox and stated that Social Security taxes should be saved for Social Security. Yesterday, the Democratic leader indicated the Democrats would not block this motion to proceed. So I see this as a positive.

What I have to say is very simple. It is clear that Americans, regardless of where they might live, believe their Social Security dollars ought to be used for Social Security. I cannot imagine there is a Member of the Senate who does not hear that message when talking to seniors in their States or, for that matter, when talking to anyone who is paying payroll taxes. The American people are frustrated when they hear that money they send here for Social Security is being spent on other programs. To some extent, this was justified during the period in which we were running budget deficits. But today we are not. Today we are running surpluses. The latest news is good news. It seems to me it even further justifies creating a lockbox to make sure none of these Social Security dollars are any longer spent on anything except Social Security. The only way to do it, in my view, is to pass legislation such as S. 557, such as the proposal that will be before us today.

So I ask my colleagues to not only give us the chance to move forward on this legislation but to work together to craft a proposal as soon as we possibly can so we can be sure these Social Security dollars do not get spent on other programs. It is a very attractive thing, to talk of new programs, of expanding existing programs, and so on, because today we are in a period of economic prosperity and we are running surpluses. But we should take this opportunity, in my view, to at least fence off the Social Security surplus so it cannot be used for other programs. I am hopeful today we can take an important step toward that end so I can go back to Michigan and tell the people in my State their Social Security payroll tax dollars are going to be protected. That is what I want to do. I suspect that is what a lot of other Members of the Chamber want to do.

I am hopeful that after today, once we get through the recess period, we will move expeditiously to finish the job. Social Security dollars ought to be spent on Social Security. We should move as quickly as possible to make that the case. So I am very optimistic, if we are successful with the cloture vote today, we can move in that direction.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I yield such time as he may need to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, I thank the Senator from Michigan for his outstanding leadership on this issue.

Today the Senate will vote for the fifth time to stop filibusters on legislation to protect Social Security trust funds. It is time for us to stop, to end the delay. It is time for us to align ourselves with the American people who overwhelmingly want us to protect the money they put into the Social Security trust fund and to reserve it for Social Security payments. We should pass this bill so protecting Social Security will be the law of the land. It is time to build a tough law, a firewall if you will, between politicians' desires to spend and the Social Security trust fund.

There is no addiction more pervasive in this city than the spending of money. It is a tough habit to break, but we are in a position to do so. We are in a position to say we can manage our affairs without this money; let us make a commitment forever to break this habit of spending the Social Security trust funds.

President Clinton's proposed budget in January would have spent $158 billion in Social Security surplus over the next 5 years out of the trust fund, but, thank goodness, this last week President Clinton announced that he does not want to do that. That concept is no longer his plan. Instead of spending

that $158 billion over 5 years in other projects, he said he wants to reserve it for Social Security—every penny for Social Security. ''Social Security taxes should be saved for Social Security, period.''

What a tremendous concept. It is one which we have been working on and we have been working to pass. The President has announced his support for it. It is a general concept which the House of Representatives has supported. In its recent vote a couple weeks ago, the House voted 416–12.

We look for bipartisan things to do in this city, things that unite us instead of divide us, things that mobilize the American people, things that find common objectives and common ground. Here is an item the American people overwhelmingly endorse. Here is an item on which the House of Representatives really reflects the American people, 416–12. That is an overwhelming vote. And the President of the United States endorses the lockbox.

What is interesting is that the President's endorsement is of the lockbox. He just did not say we should not spend Social Security as a general concept or a general idea or a principle by which we operate Government. When we talk about a lockbox, we are talking about institutionalizing the prohibition, not just saying this is something we hope to do in future years. By saying we want to build a lockbox, we have to build a structure for protecting Social Security, and that is something the President has said he wants—a structure, a lockbox, something that keeps us from making these expenditures.

For the past 6 months, this Congress has been devoted to protecting all the Social Security surplus. In January, congressional Republicans began working to ensure that Congress would protect every penny of the surplus. In March, Senator DOMENICI and I introduced S. 502, called the Protect Social Security Benefits Act, which would have instituted a point of order preventing Congress from spending any Social Security dollars for non-Social Security purposes.

What does a point of order mean? A point of order means that if there is a point of order and someone tries to do it, the Chair, the Presiding Officer, can say it is out of order. Most Americans have been part of some kind of meeting somewhere when someone brought something up that was out of order. The gavel goes down, and the person presiding over the meeting says: We are not going to discuss that; that is not a part of what we do. There is a point of order against it. It is out of order, and you move on to something else.

That is the way we propose to treat proposals that will spend the Social Security surplus. We will simply say: We don't do that; it is against our rules; it is out of order, we will move on to something else. That was S. 502.

Then in April, together with Senator DOMENICI, the Senate passed a budget resolution that did not spend any of the Social Security surpluses for the next decade. Included in the resolution was language endorsing the idea of locking away the Social Security surpluses, sort of a rules of the Senate lockbox but not a statutory lockbox. A statutory lockbox, of course, would bind the House, the Senate, and the President. This language passed the Senate with unanimous approval.

Also in April, Senators ABRAHAM, DOMENICI, and I offered the Social Security lockbox amendment which would have added executive responsibilities to the congressional requirement to protect the Social Security surpluses. By ''executive responsibilities,'' we were really saying the President had to submit a budget that did not invade the Social Security surplus as part of the President's plan.

The Senate has voted on the Abraham-Domenici-Ashcroft plan three times so far, and I believe we will agree to the motion to proceed today. But until today, the Senate has filibustered, has said we will not go there. Frankly, the President of the United States wants to go there, the American people want to go there. The President had the courage to reverse his position, first saying, ''I want to spend some of that money,'' then saying, ''No, we should reserve every cent for Social Security, period.''

On May 26, the House of Representatives, reflecting, I believe, the people of America—and that is really what we are supposed to do in many respects; that is why we are sent here—overwhelmingly passed H.R. 1259, Congressman HERGER's measure to protect the surpluses. The vote in that case, as I have already mentioned, was 416–12. That means for every 100 votes in favor of the measure, there were only 3 votes against the measure. Mr. President, 100 to 3 is a pretty strong margin. That is a bipartisan consensus. This reflects the will of the people.

On June 10, Democrats in the Senate blocked the Herger measure. They voted against moving even to consider it.

It is time we stop this kind of parliamentary maneuver. We all know what the will of the American people is. We know what the clear statement of the President of the United States is. We know what we have done on five previous occasions, refusing to discuss it. Today we should vote to move forward on this issue.

The lockbox will accomplish an important goal: Protect Social Security taxes. It will reserve those taxes for Social Security, and Social Security alone, so that when someday those who need Social Security want to call on this Government for the payment of their benefit, the Government will be stronger, having less debt, having more discipline, having a greater capacity to meet its obligations and to honor the commitments made under Social Security.

Those who say they want to protect Social Security should join us in our efforts to save every dime—no, let me correct that—every penny, every cent of this money for Social Security's future beneficiaries. This lockbox is a way to make this happen.

Congress has been moving to create a Social Security lockbox this entire year. President Clinton has now stated he agrees with us, and I welcome the support of the President and Senate Democrats in finishing the Nation's business in supporting the toughest possible lockbox measure, one that protects not 20 percent, not 40 percent, not 60 percent, not 80 percent, not 99 percent, but 100 percent of the Social Security surpluses, protects them so they are available to meet the responsibilities of the Social Security system.

Mr. President, I yield the floor and reserve the remainder of the time of those in support of the motion.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I yield 5 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I do not oppose the motion to proceed. I expect the Senate will perhaps vote unanimously to proceed on this issue, but I do want to give some historic perspective to this issue of a lockbox.

I proposed a lockbox amendment in 1983. I offered an amendment the day when the Ways and Means Committee passed the Social Security reform package in 1983. I said: If we do not put this extra Social Security money away, it will be used as part of the operating budget and it will not be saved. My amendment lost in the Ways and Means Committee in 1983. So this is not a new idea.

One of the interesting things about this debate is, it was not too many years ago that we debated a constitutional amendment to balance the budget in the Senate. I voted against that, and the constitutional amendment lost by one vote. I went through some very interesting times politically back home and across the country because I cast a vote that defeated the constitutional amendment to balance the budget.

One of the points I continued to make in the Senate as we debated that—and I was accused of talking about gimmicks and using gimmicks at that point—was the constitutional amendment to balance the budget was written in a way that said all revenue that comes into the Federal Government shall be considered revenue for

the purposes of the budget. There was no distinction between Social Security moneys and other moneys; it is all operating budget revenue. To the extent we require a balanced budget, it means we can use the Social Security money as ordinary revenue and then we can claim we balanced the budget. I said that is writing in the Constitution the invitation to continue doing what we have been doing, which is looting Social Security.

What I heard in response was no. There were three stages of denial:

First, we deny we are looting Social Security. That was the first stage of denial.

The second was: Well, even though we deny it, if, in fact, we are doing it, we promise to quit.

And the third stage of denial was: We insist we are not doing it, but if we are doing it, we promise to quit. And if we can't quit it, we will at least taper off.

Those were the three stages of denial in the Senate.

Because those of us who said, we will not write into the Constitution an amendment that permits forever the use of Social Security trust funds as part of the operating budget, we were told: Well, would it be all right if we said we will keep using the Social Security trust funds for the next 12 years? I said: No, that would not be all right. So that was the debate back a few years ago.

Now we come to a debate today, and the folks who then called our position on Social Security revenues a gimmick are now proposing a lockbox. I say, I think we should have a lockbox. But I do not think you ought to do a lockbox in isolation. I think you should have a lockbox with respect to the Social Security revenues so they cannot be used for ordinary operating revenue. That money is taken from workers' paychecks. It is called Social Security dedicated taxes. It goes into a dedicated fund and ought not be available under any circumstances for any other purposes. That is the point we made on the constitutional amendment to balance the budget.

I have some charts here, that I will not use, that describe what was told to us during that debate: Gee, you're standing up talking about gimmicks. Of course you have to use the Social Security money as part of the regular budget in order to balance the budget. You can't balance the budget without using Social Security money.

History, of course, shows that was nonsense. But here we are, and the question is the lockbox. We ought to have a lockbox. We ought to do several things at the same time, however. Because I worry. I see this week Reuters has a press story: ''How Republicans Propose $1 trillion in tax cuts.'' If you do a lockbox on Social Security revenues only and then say, all right, now we have locked away Social Security revenues only, and we propose $1 trillion in tax cuts, the question in two areas is: What have you done to extend the life of Social Security? And what have you done in this fiscal policy to extend the life of Medicare?

Unfortunately, the answer in both cases could be, you have done nothing to save for Medicare; and while you might have given $1 trillion in tax cuts, you may have done nothing to extend, even by 1 year, the Social Security program.

So let us do a couple of things. Let us do—together—a lockbox. I support that. I was ridiculed for it back in the constitutional amendment debate, but I have always supported it. I supported it going back to 1983 when I offered the amendment to do it in the House Ways and Means Committee. But let us not just do the lockbox. Let's do the lockbox the right way. Secondly, let us make sure that some of the additional revenue that is available extends the life of Medicare and extends the life of Social Security. I ask unanimous consent for 2 additional minutes.

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

Mr. DORGAN. This would provide a guarantee that the revenue stream for Social Security is available only for Social Security; that is, the tax money that is available for it goes only into the Social Security trust fund and can be used only for that purpose.

But it would do two other things as well. It would say, let us use some additional resources not just for a $1 trillion tax cut but also to extend the life of Social Security and the life of Medicare. Doing both of these things, I think, will give the American people the reassurance that both of these programs, which have been so important in the lives of so many Americans in this country, will be available for many years to come.

I do not think, as I said when I started, there will be a debate here on whether we should proceed. Let's proceed. I expect the motion to proceed will carry, perhaps unanimously. We will have a debate on the lockbox issue.

But my point is, let us not debate that in isolation. Let us debate it with the eye on this ball: That we need to extend the life of Social Security and extend the life of Medicare, even as we do what we should have done long ago; and that is, make certain that no Social Security revenues are used for any purpose other than the solvency of the Social Security system itself. That is what workers expect. That is the basis on which money is taken from their paychecks and put into a dedicated tax fund. That is what senior citizens expect from this program, which was a solemn promise made to them many decades ago.

I thank the Senator from New Jersey for the time. I look forward to the debate following the motion to proceed.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from New Jersey.

Mr. LAUTENBERG. I yield myself such time as is necessary to make some remarks.

Mr. President, I say thank you to the distinguished Senator from North Dakota because he kind of hit the nail on the head. Let's get on with this debate. That is the question. And whether or not we disguise it in terms of votes to the public at large—and cloture votes and things of that nature may seem rather arcane to the public—the main thing is to get on with the discussion.

I am supporting the cloture vote on the motion to proceed to S. 557, which is the legislation to reform the budget rules governing emergency spending. I am going to support cloture on the motion to move ahead with this—we call it a motion to proceed—to get on with the debate, not only because I support the underlying legislation, which amends the rules governing emergency spending but, more importantly, because like most, if not all, Democrats, I strongly support the establishment of a Social Security and Medicare lockbox. It is time for a real debate to occur on a lockbox. And I look forward to that debate.

Democrats have long argued that protecting Social Security and Medicare should be Congress' top priority. We believe that strongly. We simply must prepare our country for the impending retirement of the baby boomers. We ought to do it now, particularly since we are going through this incredible prosperity, a prosperity never before seen in this country.

To help achieve that goal, Senator CONRAD and I proposed our own version of a Social Security and Medicare lockbox. It is a lockbox that reserves the surpluses for both Social Security and Medicare—reserves them; you cannot touch them—without creating the threat of what is now proposed, which could be a Government-wide default. Our lockbox has much stricter enforcement than the weak one that was approved by the House of Representatives.

Early this week, President Clinton also proposed to establish a Social Security and Medicare lockbox. His proposal not only would prevent Congress from spending Social Security surpluses in any year, but it would extend the solvency of the trust fund to the year 2053.

Although all of the details of the President's plan have not been worked out yet, I strongly support his general approach. I am hopeful it can win with bipartisan support. We would like to see it that way.

The distinguished Senator from Michigan, Senator ABRAHAM, and Senator DOMENICI have proposed a different version of a lockbox which has

been offered as an amendment to the previous bill S. 557. Unfortunately, their lockbox is seriously openable. In fact, as Treasury Secretary Rubin has written, instead of protecting Social Security benefits, their lockbox actually would threaten benefits. That is because it could trigger a Government-wide default based on factors beyond Congress' control.

Such a default would make it impossible to pay Social Security benefits. They can call it what they will—lockbox, cash drawer, whatever—but it will still impair the possibility, at some point, to pay the Social Security benefits. The issue before the Senate today isn't whether we are for or against the Abraham-Domenici lockbox. It is not whether we are for or against the Democratic lockbox. The issue is whether we should proceed to a debate about lockbox legislation at all. I believe we should. It should be an open debate. Senators should have the right to offer amendments, but we should go ahead and get that debate underway.

In the past, the majority has tried to stifle that debate and to push through their own version of a lockbox without giving the Democrats and the American people an opportunity to present and to consider amendments. We Democrats have rightly resisted that. We cannot be gagged, and we will not be locked out of the legislative process, especially on an issue as important as protecting Social Security.

Having said that, nobody should doubt the commitment of Senate Democrats to support a Social Security and Medicare lockbox. I take a moment here to identify what a lockbox is to represent: a place you can't invade for any other reason except to make sure that Social Security is there for the longest period of time available for those who are paying into this system, the money to pay those benefits is going to be there.

Another major concern of the American public, the elderly public particularly, is Medicare. Will it run out of funds before the 50-year-old is there to have his or her health care protected? That is what we are debating. We ought not to be talking about process. We ought to be talking about what are the promises that we are trying to fulfill.

One is that Social Security will be there when you get there and you want it and you need it. Two is that Medicare is there to help protect the health of an aging population.

I expect there is going to be a very strong vote on this side of the aisle in support of moving to proceed to that debate. Unfortunately, what we have heard is that the majority will then file cloture on the bill itself. Another explanation. Cloture means to shut down the debate, not permit the Democrats to add amendments, not to permit the American public to hear the full discussion. That is the issue—continuing to block our ability to offer any open, new ideas to their original proposal.

Well, if that is true, it is outrageous. It is the kind of political game that has been played on this floor on this issue from day 1. Apparently the majority isn't as anxious to get a Social Security lockbox as they pretend to be. They just want to force the Democrats to cast votes against cloture, against continuing the debate, against permitting the debate.

Well, Democrats have to oppose cloture, if we are being blocked from offering amendments. That doesn't mean we are being obstructive. It doesn't mean we are filibustering the bill. We just have to protect our rights and the citizens' rights as we see them.

What the Republicans want to do is force us to cast these cloture votes and then claim that we are filibustering the lockbox. It is wrong, and they are aware of it. They want to shut us out of the debate. We represent a significant part of the American public. Whether they voted for us or they didn't, we represent them.

This isn't just playing politics. It is unfair, and it is especially unbecoming of a party that is in the majority and purportedly running Government. They should be spending their time getting legislation passed, not just forcing Democrats to walk the line, to cast votes that they can later misrepresent for political gain.

President Clinton has reached out his hand with a proposal that obviously lays the groundwork for a bipartisan deal. He is known to include Republicans in discussions about things. I serve on the Budget Committee. I am the senior Democrat. This is the third President with whom I have served. I have never seen a President more anxious to discuss his ideas on legislation with the other side than President Clinton.

He said he is willing to compromise on tax cuts. He said he wants to work with the Congress. What is the response from the majority? Partisan politics. You have to ask why. Do they really think it makes any difference whether there are five cloture votes instead of four? It is a mischaracterization. Who is trying to kid whom? This goes beyond petty. It really is unfair and pathetic.

I hope we are going to stop these political games. Then let us sit down on a bipartisan basis and do the work of the people. Let us develop a real lockbox that makes sense to both of us, a consensus view, and one that really protects Social Security and Medicare.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask the Senator from Michigan for 5 minutes.

Mr. ABRAHAM. Mr. President, I yield such time as the Senator from Pennsylvania would like.

The PRESIDING OFFICER. Without objection, the Senator from Pennsylvania is recognized for 5 minutes.

Mr. SANTORUM. Mr. President, I have to comment on the statement of the Senator from New Jersey.

One of the more vexing problems we have in political debate in America is who is telling the truth. What I am going to tell you is 180 degrees from what the Senator from New Jersey just said. What he repeatedly said is true is, in fact, not true.

What the Senator from New Jersey said is that the Democrats would not be able to offer amendments on the Social Security lockbox as a result of the cloture votes that were taken on April 22, April 30, and June 15. That is not true.

Let me state that again, emphatically, to the Senator from New Jersey and to the American public: What the Senator from New Jersey just said, which is that Democrats were blocked from offering amendments on the issue of a Social Security lockbox, is not true. So the entire speech we just heard was, in fact, a statement which had no basis in fact. That is true.

The Senator from New Jersey could have opposed cloture and offered all the amendments he wanted on the Social Security lockbox. We could have had hours, days of debate on a Social Security lockbox. We wanted to have those kinds of debates. They refused.

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

Mr. SANTORUM. I am happy to yield for a question.

Mr. LAUTENBERG. Isn't it so that the tree—I don't want to use arcane language; I always try to get away from that so the public understands what we are talking about. Weren't we blocked from amendments by virtue of the fact that the amendment tree was filled by the Republicans?

Mr. SANTORUM. The April 22 vote was a vote on cloture on the first-degree amendment. The tree was not filled. It was a first-degree amendment vote on cloture, No. 1. We wanted a vote on that particular amendment, yes.

After that amendment would have passed or failed, you were then available to offer all the amendments you wanted on Social Security. You could have offered your own Social Security lockbox. You could have taken the Abraham bill and changed the wording in it, and we could have had a vote on that, but you did not want to do that. You did not want to have that debate. You refused us even getting into a vote. All we wanted to do with these cloture motions was to say: Give us a clean vote on this particular proposal. After that, you are free to amend it. You are free to offer your own; you can

do whatever you want. You can offer a Medicare lockbox. You can do whatever you want. Just give us a vote on our proposal and then you are welcome to do whatever else you want. You said emphatically, unanimously, three times: No.

Mr. LAUTENBERG. I ask the Senator, if he will indulge another question, was the tree filled with second-degree amendments?

Mr. SANTORUM. That was not the statement of the Senator from New Jersey. He made the statement that he could not offer amendments. The answer is, he could have offered amendments.

What we wanted was a vote on the Abraham-Domenici bill. After that vote, he was free to amend that proposal. He was free to offer his own proposal. There could have been a full and open debate on Social Security lockbox, after he gave us a vote on our amendment.

I don't think that is an unreasonable thing to ask.

Mr. LAUTENBERG. Well, I thank the Senator from Pennsylvania for the courtesy. But the fact of the matter is that there was an obstruction to us offering amendments until the Republicans were certain that they had their amendment considered in its raw form. Frankly, to me, that was blocking Democrats from having it.

Mr. SANTORUM. All I say to the Senator from New Jersey is that all we asked for is to give us a clean up-or-down vote on our amendment. After that amendment, you could have amended that thing, you could have offered your own, done anything you wanted. All we wanted to make sure of was that we had a clean vote on our amendment to start this debate, and after that, you could have done anything you wanted.

By the way, if you look at the statement you just read into the RECORD, you said exactly the opposite of what I just said. You said you could not have offered amendments when, in fact, you could have. You still had the right to, and you chose not to because you didn't want to enter into this debate.

We see a wonderful willingness on the part of the Democrats now, after the President joined our side in saying we want a lockbox, to open up and debate this and offer amendments, when you had the very same opportunity four times to do the same thing.

I welcome that. I welcome that we are going to have an opportunity to focus in on what I think is one of the most important things—not just for Social Security but important things for the long-term fiscal future of this country, this government; that is, putting in place a provision that says if you are going to spend more money on new government programs, or even if they are going to spend money on tax cuts, you are not going to spend it on Social Security unless you stand up before this Senate and before the American public and say: We are going to take Social Security dollars. We believe it is more important to do tax cuts. We believe it is more important to do funding for education or funding for defense than it is to provide money for Social Security.

That is the vote we are looking for. That is the vote of accountability that we want every Member of the Senate to have to cast. That is the fiscal discipline, when people have to make that choice, and it is clear to everybody what the choice is. We have lots of points of order and procedural things, but then everybody sort of walks out of the room and spins it their way. In this case, with the lockbox vote, where it says you have to vote on a motion that says we will spend Social Security money for X or Y or Z, you have to tell the American people that you believe that is a higher priority than Social Security.

We have no such vote today. But if we pass a lockbox, then the American public will know what your choices are. There may be a situation where we need to spend Social Security money. Frankly, I can't think of one, but there may be one—an emergency, a true emergency, where our national security is at risk. There may be a situation where we want to spend Social Security dollars, but it has to be voted on. That is the most important thing. That is what the other side never wanted to have happen.

I thank the President for breaking the logjam over there. The House Democrats did a pretty good job; they passed a Social Security lockbox bill. But it was the folks on the other side who stood as the dam to this current that was flowing through the Congress. I thank the President for getting the beavers to work, getting them out of the way and making sure we can have a full, fair, and open debate—as we could have three or four times previous to this. We could have had a full, fair, open debate in the Senate about a very important issue, yes, for Social Security but just as important to the fiscal discipline of the U.S. Government in the future.

I thank the Senator from Michigan and the Senator from New Mexico, Mr. ABRAHAM and Mr. DOMENICI, for their excellent work on this issue.

Mr. DOMENICI. Mr. President, how much time do the Republicans have left?

The PRESIDING OFFICER. Nine minutes 18 seconds are remaining on the Republican side; 12 minutes 12 seconds are remaining on the Democrat side.

Mr. DOMENICI. Will the Senator yield me 4 minutes?

Mr. ABRAHAM. I yield the Senator as much time as he needs.

Mr. DOMENICI. Mr. President, please tell me when I have used 4 minutes.

I say to the President of the United States: Thank you very much, Mr. President. You have agreed with us on one of the most important issues confronting the senior citizens of this Nation. In your budget and your recommendations in the past, during this fiscal year, you suggested that only 62 percent of the Social Security trust fund be saved and put in a trust fund and stay there for senior citizens for their Social Security. We suggested in our budget resolution that anything short of 100 percent was not right. After weeks of debate in this body, without an opportunity to get a vote on an amendment that would have said that and would have locked it tightly in place, the President of the United States announced that there are more resources available because the surpluses are bigger and decided that he agreed with the Republicans that 100 percent of the Social Security trust fund should be set aside for Social Security purposes.

Now the time has come for the Senate to do that. This is not an issue of Medicare. This is an issue of the Social Security trust fund being available for no purpose other than Social Security. In the meantime, it is used to reduce the national debt. That is the program, that is the plan, that is the safest and fairest thing for seniors across this land.

Pretty soon, we are going to find out whether that is really the issue or whether there is another issue, and that other issue is, even if you have done that and set it aside and locked it away, should there be a tax cut? It would appear that for some reason, the President of the United States and maybe a majority of the Democrats in the Senate don't want to let the American people have a refund of the taxes they have overpaid. And now we learn from both auditing or accounting entities, the President's and ours, that that surplus is even bigger than we thought. That is aside from the Social Security trust fund—in addition to it, without touching it.

The issue, then, is what kind of gimmick are we going to use to eat up that surplus so there is no money available to give back to the American people? That is the issue. The issue will be couched as if we should put $350 billion of this non-Social Security surplus in a Medicare trust fund. But the President's own proposals belie the necessity for that and just give it a birth—you open it up and you can see it for what it is, an effort to deny the American people a tax cut because, lo and behold, the President said we can reform Medicare. We can actually put in place prescription drugs. And what is the price tag? Let's just agree that the President has a good number—how about that, I say to Senator ABRAHAM—$46 billion, not $396 billion; $46 billion is what he says we need during

the next decade to provide prescription drugs, which he deems to be good for the senior citizens of America. He is crossing this land and saying: I am for prescription drugs.

We are for prescription drugs. In fact, we are so pleased that the President has acknowledged exactly that situation that we are almost prepared to say—as soon as we run some numbers—that we can do better than you have done in terms of prescription drugs for senior citizens who need prescription drug assistance.

But let's remember, he says we need $46 billion. We are going to hear some arguments about the lockbox, saying let's have another lockbox for Medicare and let's take a bunch of the money that the taxpayers ought to get and put it over there in a trust fund under the rubric that it will help get rid of the deficit, that it will bring down the deficit of the United States, the overall debt—even though the three major accounting entities that have testified said it will be the same thing whether you put it in there or not. It has no impact because at some point you have to pay off those IOUs, and that means a tax increase.

Now, this is rather complicated, but the truth of the matter is—listen up, seniors—we are going to provide a prescription drug benefit as good as the President's or better. Let's focus on that. That is what we are going to do. Indeed, we are going to put every nickel—I remind everybody it takes $120 billion more for the trust fund to get all it is entitled to, according to CBO. We are going to put more than $1.8 trillion in. We are going to put $1.9 trillion in that trust fund.

In summary, we are making some headway. It is slow and tedious.

I assume that today all Members on the other side of the aisle are going to vote for cloture on the motion to proceed. I believe that is the case. It will be 100 to nothing, as if they have agreed to a lockbox. Actually, that is a wasted vote, if there are going to be 100. They are just deciding they all want to go home and say: We are for the lockbox also.

Mr. President, I ask unanimous consent that we vitiate the yeas and nays on the lockbox motion to proceed——

Mr. LAUTENBERG. We object.

Mr. DOMENICI. May I finish? I wasn't finished.

Mr. LAUTENBERG. I am sorry. Please continue.

Mr. DOMENICI. May I finish my consent request? I would like to make sure it makes some sense.

I ask unanimous consent that we dispense with that vote and that we proceed to substitute for that a motion as if cloture was before us on the actual lockbox amendment.

Mr. LAUTENBERG. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. I yield the floor.

If the Senator has a little time later, I would be glad to use another minute.

Thank you.

The PRESIDING OFFICER. Who yields time?

The Republicans control 2 minutes 54 seconds. The Democrats have 12 minutes 12 seconds.

The question from the Chair is, Who yields time?

If neither side yields time, the time will be charged equally to both sides.

Mr. ABRAHAM. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be counted to either side.

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

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. LAUTENBERG. Mr. President, I yield myself such time as I may use.

Mr. President, we are going through an exercise about what is being characterized by the Democrats and what is being characterized by the Republicans as an imperfect lockbox situation—a lockbox recommendation.

I want to try to get this debate on this subject itself instead of the process. The fact of the matter is that if we try to define what constitutes a lockbox—we heard the Senator from North Dakota earlier talking about his effort to identify a lockbox going back to 1982 or 1983, in that period. Lockbox terminology was used way before it was discussed on this floor. It is a common expression in terms of banking and financial programs.

What we are talking about, very simply, is whether or not we put enough money away to say to the American public, when it is your time to retire—talking to those who now are, let's say, in their twenties, maybe in their teens—Social Security will be there for you when it is your time to use that benefit.

That is the discussion that goes on.

The other program—Medicare, which is directly linked to the Social Security program—health care for the elderly, for seniors, is the biggest worry among our population. People identify it as their concern about being locked out of health care—not knowing what conditions might arise that will absorb all of their savings, all of their resources. With the good science that has been developed over the years, we have had far better health than we thought we might have, looking back some years.

I know that when I was in the Army during World War II, I never dreamed that at this stage of my life I would be hard at work trying to do the things that I do, and feeling pretty good about it. I am glad to know there is a program out there for those who aren't physically able to deal with life's daily pressures, and when they run into medical problems, health care is going to be there. That is the way it ought to be.

With all of that, and all of the criticism of President Clinton, the fact is that he is the leader in the country who saw us stop the hemorrhaging of incredibly increasing debt that was falling upon not just the present generation but future generations.

I used to hear the cries: We are saddling our children and our grandchildren with debt. Now we want to pay it off. They say: Well, paying off debt, what does it mean? It means an awful lot. The fact of the matter is that it provides the kind of things that families try to provide; and that is security for the future—reserves—so that when you have something you either need or want, you have some means to do it.

That is what we are talking about here. We want to preserve, and we want to increase, the solvency of Medicare to make sure it is there for a longer period of time. We want to extend Medicare to 2025 and have Social Security retirement benefits available until 2053, with a pledge from the White House and from this President to try to reform the process to extend it even further. That is what we are discussing.

Despite the cries and the pleas—''to tell the truth,'' is what I heard. I don't usually use that kind of terminology, because not telling the truth suggests some kind of a character flaw. The truth in many times is as observed by the person speaking. But the real judgment comes from the others who hear it. The truth of the matter is that we are trying our darndest—each side of the aisle—in this particular construction of how they see us, we being able to provide the kind of security that our people want. We on this side of the aisle think it ought to be done by not only preserving all of the Social Security surpluses but by paying down the debt and increasing reserves available to put into that Social Security trust fund to extend it slightly even further. That is what we want to do.

All of the gimmicks that are used, all of the ploys that the majority has used characteristically to try to stop the Democrats from offering amendments, from making this debate available to the public—that is the way it goes. We have never seen the kind of a period where so many cloture votes are ordered at the same time that a bill is sent up to the desk to be considered. Almost immediately, in so many cases, it is followed by a cloture vote before there is any debate. The cries of a filibuster are hollow cries, because no filibuster has had a chance to get underway. There hasn't been any chance to talk at all. Shut it down. Use the cloture vote technique.

The public shouldn't perhaps be deceived by what they hear about how anxious the Republicans are to get on with the work of the people when they refuse to allow reasonable debate on the subject. There are ways to do it: Fill up the amendment tree, that stops it; invoke cloture, that stops it; or put in quorum calls, or have majority votes on things that stop the process.

The question is simply, Do we want to extend Social Security solvency? I think that answer has to be yes. Do we want to extend the Medicare solvency? I think that answer has to be yes.

Let the American people decide. When do they decide? They decide in November 2000 whether or not they prefer one method or the other. We ought to be plain spoken about what it is we are trying to do and not shut off the debate and not say that the Democrats could have offered amendments. They couldn't have, not at that time. They could have in due time—after everything was signed, sealed, and delivered. It is a backhanded way of operating.

I hope we will move on to the debate of the lockbox legislation. Let the public hear it. Take the time necessary to have a full airing. Let either side amend it and get on with serving the people's needs.

How much time remains on both sides?

The PRESIDING OFFICER. The Senator has control of 3 minutes 20 seconds; the Republicans have 2 minutes 54 seconds.

Mr. LAUTENBERG. I yield the floor.

Mr. ABRAHAM. Mr. President, I yield myself 1 minute 30 seconds.

We are here today to try to put in motion a process that will save the Social Security trust fund surpluses for Social Security. The Republicans have been trying to simply get a vote on our proposal for over 70 days.

The entire parliamentary effort that has been described has been aimed at simply getting us a chance to have a vote on what was our original amendment to a different bill. The notion that getting cloture on that amendment would somehow stifle opportunities for others to bring amendments is not the way this system works. I think everybody should understand that. Our goal is to get a vote on the amendment we wanted. That is perfectly consistent with what people on all sides always try to do. It was a simple effort.

Let's not get caught up in the parliamentary discussions. The bottom line is we are still trying to create a lockbox for the American people who send payroll taxes to Washington so they can be assured those dollars go to Social Security. That is what we are fighting for. This debate is no more complicated than that.

We have heard claims people want a weaker lockbox, a harder lockbox. Let's go forward with it. Let's pass this motion. Let's vote for cloture today. Give Members a chance to have a vote on our plan. If others want to offer their plans, there will be opportunities for that.

I don't think there should be any absence of clarity as to what we have been trying to achieve for 73 days, and that is simply to get a vote on a lockbox, which was brought as an amendment by the Republicans. We will still get that vote; we will keep fighting until we do.

I yield the floor.

Mr. LAUTENBERG. I yield back the remaining time.

Mr. ABRAHAM. How much time do we have?

The PRESIDING OFFICER. The Republicans have 1 minute 16 seconds.

Mr. ABRAHAM. I yield that time to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, this is not an issue of what kind of economic game plan we have had for the last 5 or 6 years. We all understand that hardworking Americans are making this economy hum. Investors who have become more enlightened and entrepreneurs who are taking more risks have caused a great American recovery, sustained in a manner we have never expected.

The issue is, when we collect more taxes, and we exceed expectations—in fact, not just by a few hundred million, but actually approaching $1 trillion—should we wait for the Government to spend it or should we give some of it back to the American taxpayer?

Actually, the Social Security trust fund can be saved. Medicare with prescription drugs can be reformed and fixed so we have prescription drugs, and there is still a large amount of money left over. What should we do with it? Invent some way to set it aside? If we do that, it will be spent. Let's give some of it back to the American people. That is why the lockbox is important. It says what is left over does not belong to Social Security; it belongs to the American people. Use it prudently, Congress, and give back some of it.

It appears there is a war with that side of the aisle against giving anything back to the American people from these kinds of surpluses. I believe we will win that war. We relish it. We are ready to go. That will be the issue the next couple of months.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process:

Trent Lott, Spencer Abraham, Jim Inhofe, Kay Bailey Hutchison, Pete Domenici, Paul Coverdell, Wayne Allard, Jesse Helms, Larry E. Craig, Mike Crapo, Chuck Hagel, Mike DeWine, Michael H. Enzi, Judd Gregg, Tim Hutchinson, and Craig Thomas.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 557, a bill to provide guidance for the designation of emergencies as part of the budget process, shall be brought to a close? The yeas and nays are required under the rules. The clerk will call the roll.

The legislative assistant called the roll.

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

The result was announced— yeas 99, nays 1, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—99

Abraham	Enzi	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Fitzgerald	McCain
Baucus	Frist	McConnell
Bayh	Gorton	Mikulski
Bennett	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grams	Murray
Bond	Grassley	Nickles
Boxer	Gregg	Reed
Breaux	Hagel	Reid
Brownback	Harkin	Robb
Bryan	Hatch	Roberts
Bunning	Helms	Rockefeller
Burns	Hollings	Santorum
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Chafee	Inhofe	Sessions
Cleland	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
Crapo	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Voinovich
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
Edwards	Lincoln	Wyden

The PRESIDING OFFICER. On this vote, the yeas are 99, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS—RESUMED

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 557) to provide guidance for the designation of emergencies as a part of the budget process.

Pending:

Lott (for Abraham) amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham amendment No. 255 (to Amendment No. 254), in the nature of a substitute.

Lott motion to recommit the bill to the Committee on Governmental Affairs, with instructions and report back forthwith.

Lott amendment No. 296 (to the instructions of the Lott motion to recommit), to provide for Social Security surplus preservation and debt reduction.

Lott amendment No. 297 (to amendment No. 296), in the nature of a substitute.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk to the pending amendment.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process:

Trent Lott, Pete Domenici, Rod Grams, Michael Crapo, Bill Frist, Michael Enzi, Ben Nighthorse Campbell, Judd Gregg, Strom Thurmond, Chuck Hagel, Thad Cochran, Rick Santorum, Paul Coverdell, James Inhofe, Bob Smith, Wayne Allard.

CALL OF THE ROLL

Mr. LOTT. For the information of all Senators, under the previous order, this cloture vote will occur on Friday, July 16, at 10:30 a.m. I ask unanimous consent that the mandatory quorum under rule XXII be waived. And I ask consent the bill be placed back on the calendar.

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

Mr. LOTT. Let me emphasize to all Senators to double-check and recheck their calendars—there will be a vote on Friday morning, the 16th, at 10:30—so that everybody will know they will be expected to be present and voting at that time.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania has 30 minutes.

The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the Chair.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Will the Senator from Pennsylvania yield for a few seconds for a unanimous consent request?

Mr. SPECTER. I agree to yield for 15 seconds, which the Senator asked for, for a unanimous consent request.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000

AMENDMENT NO. 1193

Mr. REED. I ask unanimous consent to send an amendment to the desk to the Treasury-Postal appropriations bill and that the amendment be laid aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

NOMINATION OF LAWRENCE SUMMERS AND PRIVATE RIGHT OF ACTION

Mr. SPECTER. Mr. President, I had asked for a reservation of some 30 minutes to speak on the pending nomination of Mr. Larry Summers for the position of Secretary of the Treasury.

In considering the nomination of Mr. Summers for the position of Secretary of the Treasury, I have reviewed the many facets of the work of that particular office and have focused with particularity, at this time, on the administration's policy on nonenforcement of the antidumping laws. I had met with Mr. Summers on Friday, June 18th, and told him at that time that I was giving consideration to a protest vote against his nomination because of the administration's failure to enforce the antidumping laws after having discussed with him his own views.

Since that time I have decided to direct my efforts, instead, to try to put together a coalition of Members of Congress, both in the House and the Senate, to find a remedy where a private right of action could be used to enforce the antidumping laws.

This is a subject that has been of great concern to me during my entire tenure in the Senate, having introduced a variety of bills—which I shall discuss in due course—going back as early as 1982.

In the course of a number of legislative proposals, I have had cosponsorship from a wide variety of my Senate colleagues, including then-Senator GORE, Senators THURMOND, BYRD, HELMS, COCHRAN, HATCH, INOUYE, MURKOWSKI, KENNEDY, LEVIN, SANTORUM, MIKULSKI, and SESSIONS.

The problem of dumping is an extraordinarily acute problem in America today. It has come into very sharp focus with what has been happening in the steel industry, which has been decimated over the past two decades.

Steel, two decades ago—in 1979—had employees numbering approximately 500,000. Today, we have about a third of that number. In the course of the past several months, some 10,000 steelworkers have lost their jobs because of dumping from many foreign importers. But in reviewing the issue of dumping, I have found that it is extraordinarily widespread.

Here is a partial list of the products which are dumped in the United States, in addition to steel: wheat, hogs, lamb, cotton, sugar, orange juice, raspberries, flowers, salmon, mushrooms, paper clips, pencils, garlic, brake rotors, telephone systems, brass, pasta, picture tubes, rubber, industrial belts. And the series goes on and on.

I ask unanimous consent that at the conclusion of my remarks, the antidumping duty orders in effect as of March 1, 1999, be printed in the CONGRESSIONAL RECORD.

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

(See Exhibit 1.)

Mr. SPECTER. This list contains, I am advised, some 280 products which are dumped in the United States where our dumping laws, simply stated, are not enforced.

There is a groundswell in America today protesting the failure to enforce the antidumping laws. Dumping is a situation where, for example, steel coming from Russia will be sold cheaper in the United States than it is being sold in Russia. That is flatly against the laws of the United States. It is flatly against international trade laws. The United States has laws against that kind of dumping. But they are, simply stated, ignored.

The groundswell of opposition to dumping is reflected in the very strong vote in the House of Representatives on the so-called steel quota bill; 289 Members of the House voting in favor of it, 141 in opposition, more than enough votes to override a veto.

When the issue came to the Senate last week, there was considerable speculation as to whether there would be 67 votes to override a veto and whether there would be an excess of 60 votes for cloture. Then, as a result of some very intense, last-minute lobbying by the administration, a great many Senators changed their votes, reversed their announced intentions, and we had 42 votes in favor of the steel quota bill. Even so, it was a large vote in the Senate—considering all the circumstances—because of the very strong public policy against quotas, remembering the problems in the Smoot-Hawley era. I think the effort at the quota bill was really to attract the attention of the administration, to show how serious the problem was.

In my capacity as chairman of the steel caucus, I have convened a number of meetings of our caucus. I have met with Treasury Secretary Rubin and Commerce Secretary Daley and Trade Representative Barshefsky. We have

made the case of the need for enforcement of our trade laws. While not exactly a deaf ear, there was certainly little by way of any positive response.

I had an opportunity to talk personally with the President during a long plane ride from Andrews to Tel Aviv last December. The plane ride was more than 10 hours, an opportunity to talk about a great many subjects. I discussed with the President the very serious problems with the steel industry. He was sympathetic but nothing really has come from the administration to deal effectively with the problem of dumping.

The fact of life is, where it comes to considerations of foreign policy or defense policy, American industry is traditionally sacrificed and the antidumping laws are not enforced.

This is an issue which has concerned me, as a Pennsylvania Senator, since 1981 when I took my oath of office. In 1984, there was a favorable ruling by the International Trade Commission supporting the steel industry. It was then up to the President, President Ronald Reagan, to determine whether or not that International Trade Commission ruling would stand. My then colleague, Senator John Heinz—the late Senator Heinz, who we all miss so very much—and I made the rounds of key administration officials. Then-Secretary of Commerce Malcolm Baldrige was in favor of upholding the International Trade Commission order. Then-Trade Representative Bill Brock was in favor of upholding the International Trade Commission order. Then-Senator Heinz and I met with Secretary of State George Shultz, separately with Secretary of Defense Caspar Weinberger, and were told in no uncertain terms by the Secretary of State that our foreign policy was such that the ITC decision had to be reversed by the President. That was Secretary Shultz' recommendation. Secretary of Defense Weinberger said about the same thing, that defense policy required the ITC ruling be overturned, which the President had the right to do. So, in fact, in September of 1984, President Reagan did overturn the International Trade Commission ruling. That was just symptomatic and characteristic of what had happened with respect to dumping and the harm of lost jobs to the industry.

Since the early 1980s, the steel industry has poured $50 billion of capital into modernization efforts and has pared the payrolls, as I noted earlier, from about 500,000 to about a third of that. There is no way that the American steel industry can compete with dumped steel; where Russians or Brazilians or others are prepared to steal—dumping is a form of stealing, spelled different from steel—the product. There is no way the American steel industry can compete with dumping.

On June 18 of this year, the Washington Post contained a notation that Secretary of Commerce Daley had declared the steel crisis was over. Outraged by that conclusion, 12 chief executive officers of American steel companies wrote to Secretary William Daley, in part as follows:

> The steel crisis is still very much with us. Cold rolled imports are up dramatically, 24 percent above the level for the first 4 months of last year. Imports of cut-to-length plate are up dramatically, 25 percent year-to-year in for this period. The prices remain extremely depressed. Operating rates have plunged from 93 percent to 80 percent on an annualized basis.

A 10 percent change in operating rates equals about $5 billion in revenue, so that decrease would be in the $7 to $8 billion range in decreased revenue.

Within the next week, after the letter of June 18 to Secretary Daley from the steel executives, the statistics released by the Department of Commerce showed a tremendous additional surge. From April to May, imports went up by almost 700,000 metric tons, more than 30 percent. Imports of cold-rolled steel products from Russia were 7,296 metric tons in April 1999, and almost 41,000 metric tons the following month of May, an increase of more than 450 percent.

So we have seen the problem aggravated. The steel companies have brought seven antidumping cases with the Department of Commerce. Six of those have been subjected to suspension agreements by the Department of Commerce. When a complaint is brought, the Department of Commerce has the authority to end the complaint with a suspension agreement.

I had an opportunity to talk at some length just yesterday to Secretary of Commerce Daley to try to get an update on enforcement of the antidumping laws, and more particularly, the enforcement of the antidumping laws with regard to steel. Secretary Daley, at least to my way of thinking, was not at all on target with what the Department of Commerce is doing.

I confronted him with the specifics on the suspension agreement that the Department of Commerce entered into with Russia on February 22 of this year. That agreement permits unfair traders to avoid liability for millions of dollars in penalties due on steel dumped since November of 1998. The terms of the suspension agreement result in imports rising to a level of 750,000 metric tons per year and further displace very substantial domestic production. With respect to the proposed Brazilian antidumping suspension agreement, the fixed exchange rate locks in unrealistic low prices without allowing for future changes in the exchange rate. On another proposed Brazilian countervailing suspension agreement, it is 37 percent above the prelevel crisis.

So here we have efforts made under section 201, where the President has the right to rescind the remedy. That is consistently done. Here we have these countervailing duty cases brought, where the Department of Commerce has the authority to enter into a suspension agreement to the detriment of the American steel industry. That is consistently done.

The remedy which I suggest on pending legislation is to provide for a private right of action so the injured parties—whether they are the steelworkers who have been demonstrating and protesting in Washington, D.C. in major rallies or whether it would be the steel companies who have written to administration officials—the injured parties would have an opportunity to go into Federal court to get justice.

You have the trade laws of the United States which prohibit dumping; you have the international trade laws, which prohibit dumping. The laws prohibiting dumping are entirely consistent with GATT, our international trade agreements. But those antidumping laws are, simply stated, not enforced.

In my discussions with Secretary Daley yesterday, he raised the question about the very substantial trade, the lower prices to consumers, and noted that in an era where there is overcapacity around the world and there is a world depression, the United States is an obvious target for this dumping, to the benefit of our consumers. But that is not an adequate answer. That is not an adequate answer when thousands of steelworkers are laid off, or when the farmers are having a disastrous economic time, when the Congress has to appropriate billions of dollars in farm relief because of the dumping of wheat, the dumping of hogs, and dumping of lamb.

I recall as a teenager working in the wheat fields in Kansas before moving to Pennsylvania. I grew up in a small community, Russell, KS, in the heart of America's breadbasket, the heart of America's wheat basket. The wheat that has been dumped on the American markets has had a tremendously devastating effect on the American farm community, as so much of the other dumping of the commodities I have noted.

There is a remedy that would provide a private right of action to go to court, where the courts would be concerned with what the law is against dumping and would be concerned with what the evidence is—strong evidence to prove that dumping exists. Then the court, under the legislation I have introduced, would enter what is called an ''equitable order,'' to assess a duty or a tariff that is consistent with GATT, based upon the difference between what the goods ought to sell for and the price at which they are dumped.

There is, obviously, concern by the administration about the use of the court system when the administration

wants to have the power to make decisions as the administration chooses. But when the administration acts in the interest of foreign policy, or in the interest of defense policy, to the prejudice of so many workers in America who are not getting justice, that simply is not right.

The equity action would not submit the case to a jury. Rather, it is decided on traditional principles of the law of equity by a judge alone. It is possible to have a temporary restraining order issued on the basis of affidavits submitted. It is not a complicated matter to prove dumping. A judge then has the authority, under the Federal Rules of Civil Procedure, to issue what is called an ex parte order just on the application of one party—without even the other party being present—where the affidavits are sufficient. The duty then arises for the court to have a hearing within 5 days on a preliminary injunction. Then these equity matters can be tried in a matter of a few days, or a couple of weeks at the outside.

When some administration officials have complained that court cases take a very long time, it simply is not true. Where a court of equity issues an order, that order stays in effect even when an appeal is taken, unless there is an issuance of a supersedeas. To get a supersedeas, there has to be a bond posted in twice the amount of the damages. The fact is that once these enforcement actions would be taken, the dumpers would find it more expensive to violate the law than to comply with the law. This would be a remedy that would have a very profound effect.

This is not an idea I have proposed for the first time in the legislation filed this year. During the 97th Congress, I introduced Senate bill 2167. In the 98th Congress, I introduced similar legislation under the number of Senate bill 418. In the 99th Congress, it was S. 236. In the 100th Congress, it was S. 361. In the 102d Congress, it was S. 2508. In the 103d Congress, it was S. 332. On March 3 of this year, I introduced the pending legislation as Senate bill 528.

Votes have been held, with one vote as close as 51–47, losing on an effort to attach that as an amendment. One of the bills was reported unanimously out of the Judiciary Committee and, as noted before, a considerable group of colleagues have sponsored one or more of these bills: then-Senator GORE, Senators THURMOND, BYRD, COCHRAN, HELMS, INOUYE, MURKOWSKI, HATCH, KENNEDY, LEVIN, SANTORUM, MIKULSKI, and SESSIONS have all been supportive of this legislation.

I must say that the hearings in the Finance Committee have not produced a consideration of this legislation in a markup. So it is my intention to find a vehicle on which to offer this legislation, some other bill that comes to the floor. In discussions with many colleagues, there is very considerable interest in many quarters because when the matter is discussed, so many of my fellow Senators say, well, that is a wheat issue that prejudices the farmers of my State; or that is a hog issue or a lamb issue that prejudices the farmers of my State; or with the enormous list of products involved, so many jobs are being taken.

So the essence of the issue is: What will happen on enforcement of antidumping laws in America? The bitter fact of life is that administrations that are both Republican and Democrat have not been interested or diligent in enforcing our antidumping laws. Instead, they have preferred to bend to the interests of the foreign policy considerations, or defense policy. When Russia dumps in the United States—and Russia's economy is in a precarious shape—the administration enters into a suspension agreement badly prejudicing the American steel industry, causing the loss of thousands of jobs on the administration's conclusion that it is more important to have a solid economy in Russia and not to have instability with Boris Yeltsin than it is to lose thousands of jobs of the steelworkers. When wheat, or lambs, or hogs, or orange juice, is dumped, there again, the avalanche of those cases is beyond the capacity of the administration to handle.

There is a solid precedent in our legal procedures for private rights of action. We have the antitrust laws that are enforced by private parties, who are authorized under Federal statutes to get not only damages, but treble damages, three times the damages. You have the securities laws of the United States that are enforced by private rights of action.

The Securities and Exchange Commission simply can't handle all of the enforcement of our securities laws, just as the Department of Justice and the Federal Trade Commission cannot handle all of the antitrust laws. This has been a subject of deep concern to me, since my days as a law student when I wrote an extensive article in the Yale Law Journal, appearing in 1955, on private rights of action. It was directed at the criminal process, but the analogies are the same. If we enact legislation that enables the steelworkers, or the steel companies, or the farmers, or the wheat companies, or the electronics industry, or the telephone industry, or the long list of industries that have been victimized by dumping to go into court, the judge will not look at what is our foreign policy or what is our defense policy, but will see the U.S. law that prohibits dumping, and will analyze the GATT provisions which authorize the enforcement of antidumping laws.

The legislation calls for these actions to be brought in the U.S. International Court of Trade in New York City.

So this is not a matter of the steelworkers going to a friendly judge in Pittsburgh, or the wheat farmers going to a friendly judge in Wichita, but it will be handled by the International Court of Trade which sits in New York City and has the expertise and the detachment to look at the law—to look at the facts—and to do justice. But justice is not being done in America today where you have the failure of the administration to enforce these laws.

During the almost two decades that I have served in the Senate, it has been the same whether the administration was of one party or the other, and that it is easy to slough off the loss of jobs and the loss of American industry. But that, simply stated, is not fair.

It may be that if we mobilized a group of Senators to vote against the nomination of Mr. Summers, or if I voted against the nomination of Mr. Summers, it would attract more attention than a 22-minute floor statement. But after having considered the matter for the intervening almost 2 weeks since I met with Mr. Summers, I thought that it would be not fair to him. He has an excellent record, a good academic record, and a strong record in the Department of the Treasury. But when I discussed with him the enforcement of the antidumping laws, I did not find the concerns that I thought the Secretary of the Treasury-Designate ought to have. But we have agreed to talk further.

Yesterday, when I talked to Secretary of Commerce Daley, again I did not find the kind of sensitivity or concerns that I thought the Secretary of Commerce ought to have.

When I reviewed the suspension agreements that Secretary Daley's Department entered into, I thought that they were prejudicial to the interests of the American steel industry. But in America, we have had so many illustrations where the legislative bodies don't act, or where the executive branches don't act but where the courts do. It is nothing like life tenure for a Federal judge and the dispassionate application of the rule of law but, rather, the facts to the case. But were that to be done, it is not a matter of protectionism. It is a matter of enforcing the basic rule of free trade.

Anytime someone takes up the cudgel to complain about what is happening for failure to enforce antidumping laws, the financial publications are always saying that is a cry for protectionism. But the fact is that it is not protectionism. It is enforcing the basic tenet of free trade, which means no dumping. If you have dumping you do not have free trade.

We are going to continue to work with the coalition of Senators. We will not use this occasion to protest the administration's failure to enforce the antidumping laws by a protest vote against Mr. Summers but to try to bring a coalition together, and perhaps even to persuade the new Secretary of

Treasury, the existing Secretary of Commerce, and perhaps even the President, that justice and fairness and equity requires enforcement through the judicial process, which is the only way to get appropriate relief.

I thank the Chair.

EXHIBIT NO. 1

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

Case No. and country		Product	D I
A–357–007	Argentina	Carbon steel wire rod	1
A–357–405	Argentina	Barbed wire and barbless wire strand	1
A–357–802	Argentina	L–WR welded carbon steel pipe and tube	0
A–357–804	Argentina	Silicon metal	0
A–357–809	Argentina	Line and pressure pipe	0
A–357–810	Argentina	Oil country tubular goods	0
A–831–801	Armenia	Solid urea	0
A–602–803	Australia	Corrosion-resistant carbon steel flat products	0
A–832–801	Azerbaijan	Solid urea	0
A–538–802	Bangladesh	Cotton shop towels	0
A–822–801	Belarus	Solid urea	0
A–423–077	Belgium	Sugar	0
A–423–602	Belgium	Industrial phosphoric acid	1
A–423–805	Belgium	Cut-to-length carbon steel plate	0
A–351–503	Brazil	Iron construction castings	0
A–351–505	Brazil	Malleable cast iron pipe fittings	0
A–351–602	Brazil	Carbon steel butt-weld pipe fittings	0
A–351–603	Brazil	Brass sheet and strip	0
A–351–605	Brazil	Frozen concentrated orange juice	0
A–351–804	Brazil	Industrial nitrocellulose	1
A–351–806	Brazil	Silicon metal	0
A–351–809	Brazil	Circular welded non-alloy steel pipe	1
A–351–811	Brazil	Hot rolled lead/bismuth carbon steel products	0
A–351–817	Brazil	Cut-to-length carbon steel plate	0
A–351–819	Brazil	Stainless steel wire rod	0
A–351–820	Brazil	Ferrosilicon	0
A–351–824	Brazil	Silicomanganese	1
A–351–825	Brazil	Stainless steel bar	0
A–351–826	Brazil	Line and pressure pipe	0
A–122–047	Canada	Elemental sulphur	0
A–122–085	Canada	Suger and syrup	0
A–122–401	Canada	Red raspberries	0
A–122–503	Canada	Iron construction castings	0
A–122–506	Canada	Oil country tubular goods	0
A–122–601	Canada	Brass sheet and strip	0
A–122–605	Canada	Color picture tubes	1
A–122–804	Canada	New steel rails	1
A–122–814	Canada	Pure and alloy magnesium	1
A–122–822	Canada	Corrosion-resistant carbon steel flat products	0
A–122–823	Canada	Cut-to-length carbon steel plate	0
A–337–602	Chile	Fresh cut flowers	0
A–337–803	Chile	Fresh Atlantic salmon	0
A–337–804	Chile	Preserved mushrooms	0
A–570–001	China PRC	Potassium permanganate	0
A–570–002	China PRC	Chloropicrin	0
A–570–003	China PRC	Cotton shop towels	0
A–570–007	China PRC	Barium chloride	1
A–570–101	China PRC	Greig polyester cotton print cloth	0
A–570–501	China PRC	Natural bristle paint brushes and brush heads	0
A–570–502	China PRC	Iron construction castings	0
A–570–504	China PRC	Petroleum wax candles	0
A–570–506	China PRC	Porcelain-on-steel cooking ware	1
A–570–601	China PRC	Tapered roller bearings	0
A–570–802	China PRC	Industrial nitrocellulose	1
A–570–803	China PRC	Heavy forged hand tools, w/wo handles	0
A–570–804	China PRC	Sparklers	0
A–570–805	China PRC	Sulfur chemicals (sodium thiosulfate)	0
A–570–806	China PRC	Silicon metal	0
A–570–808	China PRC	Chrome-plated lug nuts	1
A–570–811	China PRC	Tungsten ore concentrates	0
A–570–814	China PRC	Carbon steel butt-weld pipe fittings	0
A–570–815	China PRC	Sulfanilic acid	1
A–570–819	China PRC	Ferrosilicon	0
A–570–820	China PRC	Compact ductile iron waterworks fittings	0
A–570–822	China PRC	Helical spring lock washers	1
A–570–825	China PRC	Serbacic acid	0
A–570–826	China PRC	Paper clips	1
A–570–827	China PRC	Pencils, cased	1
A–570–828	China PRC	Silicomanganese	1
A–570–830	China PRC	Coumarin	0
A–570–831	China PRC	Garlic, fresh	0
A–570–832	China PRC	Pure magnesium	0
A–570–835	China PRC	Furfuryl alcohol	0
A–570–836	China PRC	Glycine	0
A–570–840	China PRC	Manganese metal	1
A–570–842	China PRC	Polyvinyl alcohol	0
A–570–844	China PRC	Melamine institutional dinnerware	0
A–570–846	China PRC	Brake rotors	0
A–570–847	China PRC	Persulfates	0
A–570–848	China PRC	Freshwater crawfish tailmeat	1
A–583–008	China Taiwan	Small diam. welded carbon steel pipe and tube	0
A–583–080	China Taiwan	Carbon steel plate	1
A–583–505	China Taiwan	Oil country tubular goods	0
A–583–507	China Taiwan	Malleable cast iron pipe fittings	0
A–583–508	China Taiwan	Porcelain-on-steel cooking ware	1
A–583–603	China Taiwan	Top-of-the-stove stnls steel cooking ware	0
A–583–605	China Taiwan	Carbon steel butt-weld pipe fittings	0
A–583–803	China Taiwan	Light-walled rect. welded carbon steel pipe and tube	0
A–583–806	China Taiwan	Telephone systems and subassemblies thereof	0
A–583–810	China Taiwan	Chrome-plated lug nuts	1
A–583–814	China Taiwan	Circular welded non-alloy steel pipe	1
A–583–815	China Taiwan	Welded ASTM A–312 stainless steel pipe	1
A–583–816	China Taiwan	Stainless steel butt-weld pipe fittings	0
A–583–820	China Taiwan	Helical spring lock washers	1
A–583–821	China Taiwan	Stainless steel flanges	0
A–583–824	China Taiwan	Polyvinyl alcohol	0

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999—Continued

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

Case No. and country		Product	D I
A–583–825	China Taiwan	Melamine institutional dinnerware	0
A–583–826	China Taiwan	Collated roofing nails	1
A–583–827	China Taiwan	Static random access memory	0
A–583–828	China Taiwan	Stainless steel wire rod	0
A–301–602	Colombia	Fresh cut flowers	0
A–331–602	Ecuador	Fresh cut flowers	0
A–447–801	Estonia	Solid urea	0
A–405–802	Finland	Cut-to-length carbon steel plate	0
A–427–001	France	Sorbitol	0
A–427–009	France	Industrial nitrocellulose	0
A–427–078	France	Sugar	0
A–427–098	France	Anhydrous sodium metasilicate	0
A–427–602	France	Brass sheet and strip	0
A–427–801	France	Antifriction bearings	0
A–427–804	France	Hol rolled lead/bismuth carbon steel products	0
A–427–808	France	Corrosion-resistant carbon steel flat products	0
A–427–811	France	Stainless steel wire rod	0
A–427–812	France	Calcium aluminate cement and cement clinker	0
A–100–001	General Issues	Antifriction bearings	0
A–100–003	General Issues	Carbon steel flat products (filed 30-Jun-92)	0
A–833–801	Georgia	Solid urea	0
A–428–811	Germany United	Hot rolled lead/bismuth carbon steel products	0
A–428–814	Germany United	Cold-rolled carbon steel flat products	0
A–428–815	Germany United	Corrosion-resistant carbon steel flat products	0
A–428–816	Germany United	Cut-to-length carbon steel plate	0
A–428–820	Germany United	Seamless line and pressure pipe	0
A–428–821	Germany United	Large newspaper printing pressure and components	0
A–428–082	Germany West	Sugar	0
A–428–602	Germany West	Brass sheet and strip	0
A–428–801	Germany West	Antifriction bearings	0
A–428–802	Germany West	Industrial belts	0
A–428–803	Germany West	Industrial nitrocellulose	1
A–428–807	Germany West	Sulfur chemicals	0
A–428–801	Greece	Electrolytic manganese dioxide	0
A–437–601	Hungary	Tapered roller bearing	0
A–533–502	India	Welded carbon steel pipes and tubes	0
A–533–806	India	Sulfanilic acid	0
A–533–809	India	Stainless steel flanges	0
A–533–810	India	Stainless steel bar	0
A–533–813	India	Preserved mushrooms	0
A–560–801	Indonesia	Melamine institutional dinnerware preserved mushrooms	0
A–560–802	Indonesia		
A–507–502	Iran	In shell pistachios	1
A–508–602	Israel	Oil country tubular goods	0
A–508–604	Israel	Industrial phosphoric acid	1
A–475–059	Italy	Pressure sensitive plastic tape	0
A–475–401	Italy	Brass fire protection products	0
A–475–601	Italy	Brass sheet and strip	0
A–475–703	Italy	Granular polytetrafluoroethylene resin	1
A–475–801	Italy	Antifriction bearings	0
A–475–802	Italy	Industrial belts	0
A–475–811	Italy	Grain-oriented electrical steel	0
A–475–814	Italy	Seamless line and pressure pipe	0
A–475–816	Italy	Oil country tubular goods	0
A–475–818	Italy	Pasta, certain	0
A–475–820	Italy	Stainless steel wire rod	0
A–588–028	Japan	Roller chain other than bicycle	0
A–588–041	Japan	Methionine, synthetic	0
A–588–045	Japan	Steel wire rope	0
A–588–054	Japan	Tapered roller bearing, under 4″	1
A–588–056	Japan	Melamine in crystal form	1
A–588–068	Japan	P.C. steel wire strand	1
A–588–401	Japan	Calcium hypochlorite	0
A–588–405	Japan	Cellular mobile telephones and subassemblies	1
A–588–602	Japan	Carbon steel butt-weld pipe fittings	0
A–588–604	Japan	Tapered roller bearings, over 4″	0
A–588–605	Japan	Malleable cast iron pipe fittings	0
A–588–609	Japan	Color picture tubes	1
A–588–702	Japan	Stainless steel butt-weld pipe fittings	0
A–588–703	Japan	Internal combustion and forklift trucks	0
A–588–704	Japan	Brass sheet and strip	0
A–588–706	Japan	Nitrile rubber	0
A–588–707	Japan	Granular polytetrafluoroethylene resin	1
A–588–802	Japan	3.5″ microdisks and media therefor	0
A–588–804	Japan	Antifriction bearings	0
A–588–806	Japan	Electrolytic manganese dioxide	0
A–588–807	Japan	Industrial belts	0
A–588–809	Japan	Telephone systems and subassemblies thereof	0
A–588–810	Japan	Mechanical transfer presses	0
A–588–811	Japan	Drafting machines and parts thereof	0
A–588–812	Japan	Industrial nitrocellulose	1
A–588–813	Japan	Multiangle laser light scattering instr	0
A–588–815	Japan	Gray Portland cement and cement clinker	0
A–588–816	Japan	Benzyl P-Hydroxybenzoate (Benzyl paraben)	0
A–588–823	Japan	Prof electric cutting/sanding/grinding tools	0
A–588–826	Japan	Corrosion-resistant carbon steel flat products	0
A–588–829	Japan	Defrost timers	0
A–588–831	Japan	Grain-oriented electrical steel	0
A–588–833	Japan	Stainless steel bar	0
A–588–835	Japan	Oil country tubular goods	0
A–588–836	Japan	Polyvinyl alcohol	0
A–588–837	Japan	Large newspaper printing presses and components	0
A–588–838	Japan	Clad steel plate	0
A–588–840	Japan	Gas Turbo compressors	0
A–588–843	Japan	Stainless steel wire rod	0
A–834–801	Kazakhstan	Solid Urea	0
A–834–804	Kazakhstan	Ferrosilicon	0
A–779–602	Kenya	Fresh cut flowers	0
A–580–507	Korea South	Malleable cast iron pipe fittings	0
A–580–601	Korea South	Top-of-the-stove stnls steel cooking ware	0
A–580–603	Korea South	Brass sheet and strip	0
A–580–605	Korea South	Color Picture tubes	1
A–580–803	Korea South	Telephone systems and subassemblies thereof	0
A–580–805	Korea South	Industrial nitrocellulose	1
A–580–807	Korea South	Polyethlene terephthalate (pet) film	0

ANTIDUMPING DUTY ORDERS IN EFFECT ON MARCH 1, 1999—Continued

[Duty orders revoked by Sunset Review remain in effect until Jan. 1, 2000]

Case No. and country		Product	D I
A–580–809	Korea South	Circular welded non-alloy steel pipe	1
A–580–810	Korea South	Welded ASTM A–312 stainless steel pipe	1
A–580–811	Korea South	Carbon steel wire rope	0
A–580–812	Korea South	Drams of 1 MEGABIT and above	0
A–580–813	Korea South	Stainless steel butt-weld pipe fittings	0
A–580–815	Korea South	Cold-rolled carbon steel flat products	0
A–580–816	Korea South	Corrosion-resistant carbon steel flat products	0
A–580–825	Korea South	Old country tubular goods	0
A–580–829	Korea South	Stainless steel wire rod	0
A–835–801	Kyrgyzstan	Solid urea	0
A–449–801	Latvia	Solid urea	0
A–451–801	Lithuania	solid urea	0
A–557–805	Malaysia	Extruded rubber thread	0
A–201–504	Mexico	Porcelain-on-steel cooking ware	1
A–201–601	Mexico	Fresh cut flowers	0
A–201–802	Mexico	Gray Portland cement and cement clinker	1
A–201–805	Mexico	Circular welded non-alloy steel pipe	1
A–201–806	Mexico	Carbon steel wire rope	0
A–201–809	Mexico	Cut-to-length carbon steel plate	0
A–201–817	Mexico	Oil country tubular goods	0
A–841–801	Moldova	Solid urea	0
A–421–701	Netherlands	Brass sheet and strip	0
A–421–804	Netherlands	Cold-rolled carbon steel flat products	0
A–421–805	Netherlands	Aramid fiber of PPD–T	0
A–614–502	New Zealand	Low fuming brazing copper wire and rod	0
A–614–801	New Zealand	Fresh kiwifruit	0
A–403–801	Norway	Fresh and chilled Atlantic salmon	0
A–455–802	Poland	Cut-to-length carbon steel plate	0
A–485–601	Romania	Urea	0
A–485–602	Romania	Tapered roller bearings	0
A–485–801	Romania	Antifriction bearings	0
A–485–803	Romania	Cut-to-length carbon steel plate	0
A–821–801	Russia	Solid urea	0
A–821–804	Russia	Ferrosilicon	0
A–821–805	Russia	Pure magnesium	0
A–821–807	Russia	Ferrovanadium and nitrided vanadium	0
A–559–502	Singapore	Small diameter standard and rectangular pipe and tube	1
A–559–601	Singapore	Color picture tubes	1
A–559–801	Singapore	Antifriction bearings	0
A–559–802	Singapore	Industrial belts	0
A–791–502	South Africa	Low fuming brazing copper wire and rod	0
A–791–802	South Africa	Furfuryl alcohol	0
A–469–007	Spain	Potassium permanganate	0
A–469–803	Spain	Cut-to-length carbon steel plate	0
A–469–805	Spain	Stainless steel bar	0
A–469–807	Spain	Stainless steel wire rod	0
A–401–040	Sweden	Stainless steel plate	0
A–401–601	Sweden	Brass sheet and strip	0
A–401–603	Sweden	Stainless steel hollow products	1
A–401–801	Sweden	Antifriction bearings	0
A–401–805	Sweden	Cut-to-length carbon steel plate	0
A–401–806	Sweden	stainless steel wire rod	0
A–842–801	Tajikistan	Solid urea	0
A–549–502	Thailand	Welded carbon steel pipes and tubes	0
A–549–601	Thailand	Malleable cast iron pipe fittings	0
A–549–807	Thailand	Carbon steel butt-weld pipe fittings	0
A–549–812	Thailand	Furfuryl alcohol	0
A–549–813	Thailand	Canned pineapple fruit	0
A–489–501	Turkey	Welded carbon steel pipe and tube	0
A–489–602	Turkey	Aspirin	1
A–489–805	Turkey	Pasta, certain	0
A–489–807	Turkey	Rebar steel	0
A–843–801	Turkmenistan	Solid urea	0
A–823–801	Ukraine	Solid urea	0
A–823–802	Ukraine	Uranium	1
A–823–804	Ukraine	Ferrosilicon	0
A–823–806	Ukraine	Pure magnesium	0
A–412–801	United Kingdom	Antifriction bearings	0
A–412–803	United Kingdom	Industrial nitrocellulose	1
A–412–805	United Kingdom	Sulfur chemicals	0
A–412–810	United Kingdom	Hot rolled lead/bismuth carbon steel products	0
A–412–814	United Kingdom	Cut-to-length carbon steel plate	0
A–461–008	USSR	Titanium sponge	1
A–461–601	USSR	Solid urea	0
A–844–801	Uzbekistan	Solid urea	0
A–307–805	Venezuela	Circular welded non-alloy steel pipe	1
A–307–807	Venezuela	Ferrosilicon	0
A–479–801	Yugoslavia	Industrial nitrocellulose	1

EXTENSION OF TIME FOR FILING AMENDMENTS

Mr. SPECTER. Mr. President, I have been asked to request on behalf of the leader that the deadline for failing first-degree amendments on the Treasury-Postal appropriations bill be extended until noon.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Connecticut.

PRIVILEGE OF THE FLOOR

Mr. DODD. Mr. President, I ask unanimous consent for Ellen Gadbois, a Fellow in Senator KENNEDY's office, be allowed floor privileges for 1 day.

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

NOMINATION OF LARRY SUMMERS

Mr. DODD. Mr. President, I want to say to my colleague from Pennsylvania, who just addressed the issue of Treasury and the issue of steel, that I supported the proposal last week of Senator ROCKEFELLER and felt as though that was a strong message that we needed to be sending. We didn't prevail in that particular issue. It is an important issue for the Senator from Pennsylvania. Pennsylvania's economy depends on many sectors. But steel is a very important one. And the trade issue is extremely important.

Mr. SPECTER. Mr. President, I thank my distinguished colleague from Connecticut for those comments. I dare say that if we polled all of our colleagues, the other 98, there would not be a Senator who would not have problems in his own State on dumping. Some may object saying that they do

not want to have anything to impede the flow of commerce, but there are some limits.

When it comes to the law, I know my colleague from Connecticut is as concerned about the rule of law as I am. If we want to eliminate the antidumping provisions, I will keep quiet. But when the law prohibits dumping and there is so much of it to the prejudice of so many people—talk about victims' rights—this is an injustice that is being perpetrated day in and day out. If it goes to court, justice will be done.

Mr. DODD. I thank my colleague. Everyone faces these dumping issues. We are a very open society. That is one of our strengths. But there are limits. The only thing I would say—again, I don't want to tie us up because we have other matters to attend to—is that I happen to be a strong supporter of Larry Summers as a candidate for the Secretary of the Treasury position.

He is a very fine individual who I think will do a tremendous job. First of all, he will be listening to people such as our distinguished colleague from Pennsylvania, and I hope the colleague of the Senator from Pennsylvania, the Senator from Connecticut, on these matters. I am sure he will do that. I know that he will do that.

But, obviously more importantly, we need not just good listening but also a willingness to make the fight as only can be done at the executive branch level. We in Congress can pass amendments and bills to try to do it. But in the area of trade —I know that my colleague from Pennsylvania will agree—the executive branch is really where the influence is most felt through the Office of the President, the Secretary of Treasury, the Secretary of Commerce, and the Secretary of State, where they raise these issues at that level. That is where we have the most success, I think, at least historically, in dealing with the kind of issues that he has addressed this morning.

I am confident that Larry Summers is going to be a very strong advocate on behalf of our country and its needs and its sectors that the Senator from Pennsylvania has talked about.

I just didn't want the moment to pass without expressing my support for this very fine individual, whom I have come to know and respect immensely over the last number of years. He has worked with Rubin in Treasury.

Mr. SPECTER. Mr. President, just one further comment. Some of our most worthwhile floor discussions is when there is an exchange of ideas. So often comments go from protection of speech out into a vacuum. Like the old saying about college lectures in classes, it goes from the notes of the professor to the notes of the student without passing through the head of either. But when you have a discussion, it may be a little more informative. The executive branch is where it ought to start. But if there is not relief from the executive branch, then I look to the judicial branch.

The one conclusive item that I will note, because I don't want to take more than another 45 seconds, is in the enforcement of the civil rights laws. We could never have gotten desegregation in America if it was left up to the Congress or to the State legislatures or to the Presidents and the Governors nibbling at the edges a little bit. But when the case went to court, justice was done.

Mr. DODD. The Senator from Pennsylvania is absolutely correct. We need to have that judicial branch if we are going to really make the laws work ultimately. I appreciate that point. It is one well taken.

I agree with his point as well that if you are going to have antidumping laws on the books, enforcing them is the only way to live up to our obligations.

I appreciate his comments.

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

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000—RESUMED—Continued

The PRESIDING OFFICER. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (S. 1282) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Dorgan (for Moynihan) amendment No. 1189, to ensure the expeditious construction of a new United States Mission to the United Nations.

Dorgan (for Moynihan) amendment No. 1190, to ensure that the General Services Administration has adequate funds available for programmatic needs.

Dorgan (for Moynihan) amendment No. 1191, to ensure that health and safety concerns at the Federal Courthouse at 40 Centre Street in New York, New York are alleviated.

Campbell/Dorgan amendment No. 1192, to provide for an increase in certain Federal buildings funds.

The PRESIDING OFFICER. Who yields time? The Senator from Colorado.

Mr. CAMPBELL. Mr. President, pursuant to the consent agreement of last night, I send the following amendments to the desk for consideration and ask they be set aside.

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

AMENDMENTS NO. 1194 THROUGH NO. 1204

Mr. CAMPBELL. Mr. President, I would like at least to give the names of the amendments: Senator WARNER, amendment on professional liability insurance for Federal employees; for Senator KYL, $50 million for Customs Service; another one for Senator KYL, sense of the Senate for funding for the Customs Service; one for Senator JEFFORDS on child care centers in Federal facilities; one for Senator ENZI, the high-intensity drug trafficking areas; Senator GRASSLEY, funding for the Customs Service; Senator DEWINE, abortion services in Federal health plans; Senators LOTT and DASCHLE, conveyance of the land to Columbia Hospital for Women; Senator COLLINS, Veterans of Foreign Wars Stamp; Senator DEWINE, funding for the Customs Service; and Senator HUTCHISON of Texas, $50 million for the Customs Service.

With that, I yield to my colleague.

The PRESIDING OFFICER. The amendments will be numbered and set aside.

AMENDMENT NO. 1191, WITHDRAWN

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. On behalf of Senator MOYNIHAN, I ask unanimous consent to be allowed to withdraw amendment 1191.

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

AMENDMENTS NO. 1189 THROUGH NO. 1214

Mr. DORGAN. Mr. President, I send a group of amendments to the desk pursuant to the unanimous consent agreement to have them offered by 12 o'clock. I will read their names: an amendment by Senator REID; amendment by Senator BAUCUS, amendments by Senators SCHUMER, MOYNIHAN, HARKIN; another from Senators SCHUMER, LANDRIEU, WELLSTONE, TORRICELLI, and LAUTENBERG.

I ask they be set aside.

The PRESIDING OFFICER. The amendments are set aside.

The Senator from Colorado.

Mr. CAMPBELL. I now yield to my colleague, Senator COLLINS.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 1202

(Purpose: To request the United States Postal Service to issue a commemorative postage stamp honoring the 100th anniversary of the founding of the Veterans of Foreign Wars of the United States)

Ms. COLLINS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for herself, Mr. CAMPBELL, Mr. DORGAN and Mr. GREGG, proposes an amendment numbered 1202.

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

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

The amendment is as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. (a) Congress finds that—

(1) the Veterans of Foreign Wars of the United States (in this section referred to as the ''VFW''), which was formed by veterans of the Spanish-American War and the Philippine Insurrection to help secure rights and benefits for their service, will be celebrating its 100th anniversary in 1999;

(2) members of the VFW have fought, bled, and died in every war, conflict, police action, and military intervention in which the United States has engaged during this century;

(3) over its history, the VFW has ably represented the interests of veterans in Congress and State Legislatures across the Nation and established a network of trained service officers who, at no charge, have helped millions of veterans and their dependents to secure the education, disability compensation, pension, and health care benefits they are rightfully entitled to receive as a result of the military service performed by those veterans:

(4) the VFW has also been deeply involved in national education projects, awarding nearly $2,700,000 in scholarships annually, as well as countless community projects initiated by its 10,000 posts; and

(5) the United States Postal Service has issued commemorative postage stamps honoring the VFW's 50th and 75th anniversaries, respectively.

(b) Therefore, it is the sense of the Senate that the United States Postal Service is encouraged to issue a commemorative postage stamp in honor of the 100th anniversary of the founding of the Veterans of Foreign Wars of the United States.

Ms. COLLINS. On behalf of Senators CAMPBELL, DORGAN, GREGG, and myself, I am pleased to offer a sense-of-the-Senate amendment urging the U.S. Postal Service to issue a commemorative postage stamp honoring the 100th anniversary of the founding of the Veterans of Foreign Wars of the United States.

The VFW will be celebrating its centennial in September of this year. This sense-of-the-Senate resolution is similar to legislation I introduced earlier this year which had been cosponsored by 59 of our colleagues.

I ask unanimous consent that list of cosponsors be printed in the RECORD.

There being no objection, the 71st was ordered to be printed in the RECORD, as follows:

S. CON. RES. #12—COSPONSORS (59)

Senator Inouye, Daniel K.—02/22/99.
Senator Roth, William V., Jr.—02/22/99.
Senator Jeffords, James M.—02/22/99.
Senator Torricelli, Robert G.—02/22/99.
Senator DeWine, Michael—02/22/99.
Senator Voinovich, George V.—02/22/99.
Senator Helms, Jesse—02/22/99.
Senator Cleland, Max—02/22/99.
Senator Daschle, Thomas A.—02/22/99.
Senator Abraham, Spencer—02/22/99.
Senator Allard, Wayne—02/22/99.
Senator Brownback, Sam—02/22/99.
Senator Chafee, John H.—02/22/99.
Senator Dodd, Christopher J.—02/22/99.
Senator Enzi, Michael B.—02/22/99.
Senator Fitzgerald, Peter G.—02/22/99.
Senator Gramm, Phil—02/22/99.
Senator Landrieu, Mary L.—02/22/99.
Senator Thurmond, Strom—02/22/99.
Senator Specter, Arlen—02/22/99.
Senator Durbin, Richard J.—02/22/99.
Senator Hagel, Chuck—02/22/99.
Senator Inhofe, James M.—02/22/99.
Senator Biden, Joseph R., Jr.—02/22/99.
Senator Lott, Trent—02/22/99.
Senator Sessions, Jeff—02/22/99.
Senator Snowe, Olympia J.—02/22/99.
Senator Hatch, Orrin G.—02/22/99.
Senator Lincoln, Blanche—02/22/99.
Senator Lugar, Richard G.—04/14/99.
Senator Nickles, Don—02/22/99.
Senator Frist, Bill—02/22/99.
Senator Rockefeller, John D., IV—02/22/99.
Senator Kerry, John F.—02/22/99.
Senator Coverdell, Paul—02/22/99.
Senator Shelby, Richard C.—02/22/99.
Senator Robb, Charles S.—02/22/99.
Senator Conrad, Kent—02/22/99.
Senator Grassley, Charles E.—02/22/99.
Senator Akaka, Daniel K.—02/22/99.
Senator Baucus, Max—02/22/99.
Senator Bryan, Richard H.—02/22/99.
Senator Craig, Larry E.—02/22/99.
Senator Domenici, Pete V.—02/22/99.
Senator Feingold, Russell, D.—02/22/99.
Senator Gorton, Slade—02/22/99.
Senator Gregg, Judd—02/22/99.
Senator Stevens, Ted—02/22/99.
Senator Wellstone, Paul D.—02/22/99.
Senator Ashcroft, John—02/22/99.
Senator Warner, John W.—02/22/99.
Senator Reid, Harry M.—02/22/99.
Senator Boxer, Barbara—02/22/99.
Senator Grams, Rod—02/22/99.
Senator Kennedy, Edward M.—02/22/99.
Senator Lautenberg, Frank R.—02/22/99.
Senator Wyden, Ron—02/22/99.
Senator Crapo, Michael D.—02/22/99.
Senator Murray, Patty—04/14/99.

Ms. COLLINS. Mr. President, as a member of the VFW Ladies Auxiliary post in Caribou, ME, and as the daughter of a World War II veteran who was wounded twice in combat, I am honored to lead the charge for this worthwhile legislation.

The Veterans of Foreign Wars traces its roots back to 1899, when veterans of the Spanish-American War and the Philippine Insurrection returned home and banded together to establish a handful of local organizations intended to help secure medical care and pensions for their military service. These original foreign service organizations gradually grew in number and influence and in 1914 came to be known collectively as the Veterans of Foreign Wars of the United States.

Mr. President, it was several years later, on June 24, 1921, when the VFW's chapter in my home State of Maine was chartered. Today, there are 84 VFW posts in Maine to which over 16,000 veterans belong.

Those small groups of veterans who organized in 1899 have today grown to over 2 million strong. During that time, VFW members have fought in every war, conflict, and military intervention in which the United States has been engaged during this century.

As we near the start of a new millennium, the VFW's members continue to live by the organization's creed of ''Honor the dead by helping the living.'' They do so by representing the interests of veterans across the nation through an established network of trained service officers who, at no charge, help millions of veterans and their dependents secure the educational benefits, disability compensation, pension, and health care services to which they are rightfully entitled as a result of their distinguished service to our country.

This service also extends beyond veterans. The VFW's Community Service Program, through members in its 10,000 posts, serves communities, states, and the nation. During the past program year, for example, the VFW, working side by side with its Ladies Auxiliary, contributed nearly 13 million hours of volunteer service and donated nearly $55 million to a variety of community projects. In addition, the VFW helps young men and women attend college by providing more than $2.6 million in scholarships annually.

Mr. President, this Sunday, on the Fourth of July, we will celebrate the 223rd anniversary of the founding of the United States of America. I can think of no more appropriate time to honor the brave men and women who, while far from home, sacrificed so much that the dreams of our founding fathers might become, and remain, a reality. By urging the U.S. Postal Service to issue a commemorative stamp honoring the VFW's 100th anniversary, as was done for its 50th and 75th anniversaries, the Senate can take a small step toward remembering their service and showing our deep appreciation for their unwavering commitment to our country, both in peacetime and in times of conflict.

I thank the distinguished Senator from Colorado and the distinguished Senator from North Dakota for working with me on this amendment. It is my understanding the amendment has been cleared and that it is acceptable to the committee.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. As a life member of the VFW myself, and a sponsor of this amendment, I think it is an important statement to make, as my friend said, as we move to the Fourth of July weekend. I am happy to accept this amendment.

I yield to Senator DORGAN.

Mr. DORGAN. I think it is a good amendment. I have asked consent to be added as a cosponsor. I am happy to support the efforts of the Senator from Maine, and we have no objection.

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

The amendment (No. 1202) was agreed to.

Ms. COLLINS. I thank my colleagues for their support and cooperation.

Mr. CAMPBELL. Mr. President, seeing no other Senators on the floor, I announce we would like to have them come down and offer their amendments. We will be happily expecting them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I will ask that a letter from Barry McCaffrey, Director of the Office of National Drug Control Policy, be printed in the RECORD. General McCaffrey has written to me and, I am sure, the chairman of the subcommittee because he is concerned about the funding level for the National Youth Antidrug Media Campaign.

As we indicated yesterday, that campaign will be funded in the subcommittee mark at $145.5 million. That is about $49 million below the administration's request.

General McCaffrey has a number of observations about that and makes the point in his letter that he hopes, in this process between the Senate and the House, somehow those funds might be restored to full funding at the President's request.

I ask unanimous consent that his letter be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF NATIONAL DRUG CONTROL POLICY,
Washington, DC, June 30, 1999.

Hon. BYRON L. DORGAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR DORGAN: The purpose of this letter is to bring to your attention a precarious funding recommendation for the FY 2000 appropriation for the National Youth Anti-Drug Media Campaign. This drug-prevention initiative is the centerpiece of the national effort to educate America's sixty-eight million children and adolescents about the risks associated with illegal drugs. Thanks to the Congress' full support of the campaign over the past two years, we have succeeded in harnessing the full power of modern media—from television to the Internet to sports marketing—to provide accurate and effective anti-drug information to children, adolescents, parents, and other adult influences.

We are pleased with the results obtained since the campaign was launched eighteen months ago.

The campaign's messages are being heard. 95 percent of our youth target audience is receiving an average of 6.8 messages a week. Among African American youth, we are doing even better—reaching 95 percent of the young people 7.8 times per week, 94 percent of Hispanic youth are receiving messages in Spanish 4.8 times per week.

Our children are becoming more aware of the risks and dangers of drugs. Teens are indicating in response to surveys that campaign ads are providing them new information, increasing their awareness of the dangers associated with drugs, and making them less likely to try or use drugs. Parents state that the ads are providing new information and making them aware of the effects of drugs on their children.

The private sector is matching the federal government's investment. Over the past year, corporate America has provided $217 million in pro-bono advertising and in-kind contributions. In the past twelve months, the campaign has generated 47,000 public service announcements and resulted in thirty-two network television shows including anti-drug messages.

The Senate Appropriations Committee has recommended that the media campaign be funded at 25 percent below our request in FY 2000—$145.5 million, $49.5 million below the administration's request. This funding level would not allow the campaign to reach adolescents and parents with the message frequency required to fundamentally change attitudes towards illegal drugs and, eventually, reduce drug use by vulnerable adolescents and teens. The Committee's additional recommendation that $49 million of proposed FY 2000 funds not be available to the Campaign until the final day of the fiscal year would result in a de facto 48 percent cut in campaign funds.

Now is not the time to make cuts in the Media Campaign. We are at a critical juncture in time. Drug use by our teens skyrocketed between 1992 and 1996 as risk perception declined. In the past two years, the Monitoring the Future survey and the National Household Survey of Drug Abuse suggest that our children are becoming more aware of the risks posed by illegal drugs and that adolescent drug use rates are declining. This campaign can be a catalyst for lower drug use rates by our children.

We need your leadership to ensure that the full Senate restores funding to the requested amount of $195 million in FY 2000 for the National Youth Anti-Drug Media Campaign. This is a sound investment in the well being of our sixty-eight million young people.

Mr. DORGAN. Mr. President, also, to add to the comments made by Senator CAMPBELL, I believe we had something in the neighborhood of 20 amendments that were filed. The unanimous consent agreement required that amendments be filed by noon today. This subcommittee on appropriations has now, I believe, close to 20 amendments, perhaps 21 amendments, that have been filed. It is, I know, the intention and the interest of the leadership—the majority leader and Senator DASCHLE as well—to move ahead and finish this bill and finish some other business today.

My hope is that Members who have offered amendments—in fact, all the amendments have been filed on behalf of other Senators by Senator CAMPBELL and myself. I hope very much that those who asked us to file an amendment on their behalf will come now to the floor and offer those amendments so we can proceed to get through this piece of legislation.

Of the 20 amendments, some likely will be worked out, some will perhaps need votes. Senator CAMPBELL is absolutely correct, this is the right time for people on whose behalf we have offered these amendments to come to the floor and begin debating them.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENT NO. 1201

(Purpose: To authorize the conveyance to the Columbia Hospital for Women of a certain parcel of land in the District of Columbia)

Mr. CAMPBELL. Mr. President, I call up the Lott-Daschle amendment No. 1201, the conveyance of land to the Columbia Hospital for Women, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] for Mr. LOTT, for himself and Mr. DASCHLE, proposes an amendment numbered 1201.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ____. CONVEYANCE OF LAND TO THE COLUMBIA HOSPITAL FOR WOMEN.

(a) ADMINISTRATOR OF GENERAL SERVICES..—Subject to subsection (f) and such terms and conditions as the Administrator of General Services (in this section referred to as the ''Administrator'') shall require in accordance with this section, the Administrator shall convey to the Columbia Hospital for Women (formerly Columbia Hospital for Women and Lying-In Asylum; in this section referred to as ''Columbia Hospital''), located in Washington, District of Columbia, for $14,000,000 plus accrued interest to be paid in accordance with the terms set forth in subsection (d), all right, title, and interest of the United States in and to those pieces or parcels of land in the District of Columbia, described in subsection (b), together with all improvements thereon and appurtenances thereto. The purpose of this conveyance is to enable the expansion by Columbia Hospital of its Ambulatory Care Center, Betty Ford Breast Center, and the Columbia Hospital Center for Teen Health and Reproductive Toxicology Center.

(b) PROPERTY DESCRIPTION.—

(1) IN GENERAL.—The land referred to in subsection (a) was conveyed to the United States of America by deed dated May 2, 1888, from David Fergusson, widower, recorded in liber 1314, folio 102, of the land records of the District of Columbia, and is that portion of square numbered 25 in the city of Washington in the District of Columbia which was not previously conveyed to such hospital by the Act of June 28, 1952 (66 Stat. 287; chapter 486).

(2) PARTICULAR DESCRIPTION.—The property is more particularly described as square 25, lot 803, or as follows: all that piece or parcel of land situated and lying in the city of Washington in the District of Columbia and known as part of square numbered 25, as laid down and distinguished on the plat or plan of said city as follows: beginning for the same at the northeast corner of the square being the corner formed by the intersection of the west line of Twenty-fourth Street Northwest, with the south line of north M Street

Northwest and running thence south with the line of said Twenty-fourth Street Northwest for the distance of two hundred and thirty-one feet ten inches, thence running west and parallel with said M Street Northwest for the distance of two hundred and thirty feet six inches and running thence north and parallel with the line of said Twenty-fourth Street Northwest for the distance of two hundred and thirty-one feet ten inches to the line of said M Street Northwest and running thence east with the line of said M Street Northwest to the place of beginning two hundred and thirty feet and six inches together with all the improvements, ways, easements, rights, privileges, and appurtenances to the same belonging or in anywise appertaining.

(c) DATE OF CONVEYANCE.—

(1) DATE.—The date of the conveyance of property required under subsection (a) shall be the date upon which the Administrator receives from Columbia Hospital written notice of its exercise of the purchase option granted by this section, which notice shall be accompanied by the first of 30 equal installment payments of $869,000 toward the total purchase price of $14,000,000, plus accrued interest.

(2) DEADLINE FOR CONVEYANCE OF PROPERTY.—Written notification and payment of the first installment payment from Columbia Hospital under paragraph (1) shall be ineffective, and the purchase option granted Columbia Hospital under this section shall lapse, if that written notification and installment payment are not received by the Administrator before the date which is 1 year after the date of enactment of this section.

(3) QUITCLAIM DEED.—Any conveyance of property to Columbia Hospital under this section shall be by quitclaim deed.

(d) CONVEYANCE TERMS.—

(1) IN GENERAL.—The conveyance of property required under subsection (a) shall be consistent with the terms and conditions set forth in this section and such other terms and conditions as the Administrator deems to be in the interest of the United States, including—

(A) the provision for the prepayment of the full purchase price if mutually acceptable to the parties;

(B) restrictions on the use of the described land for use of the purposes set out in subsection (a);

(C) the conditions under which the described land or interests therein may be sold, assigned, or otherwise conveyed in order to facilitate financing to fulfill its intended use; and

(D) the consequences in the event of default by Columbia Hospital for failing to pay all installments payments toward the total purchase price when due, including revision of the described property to the United States.

(2) PAYMENT OF PURCHASE PRICE.—Columbia Hospital shall pay the total purchase price of $14,000,000, plus accrued interest over the term at a rate of 4.5 percent annually, in equal installments of $869,000, for 29 years following the date of conveyance of the property and receipt of the initial installment of $869,000 by the Administrator under subsection (c)(1). Unless the full purchase price, plus accrued interest, is prepaid, the total amount paid for the property after 30 years will be $26,070,000.

(e) TREATMENT OF AMOUNTS RECEIVED.—Amounts received by the United States as payments under this section shall be paid into the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)), and may be expended by the Administrator for real property management and related activities not otherwise provided for, without further authorization.

(f) REVERSIONARY INTEREST.—

(1) IN GENERAL.—The property conveyed under subsection (a) shall revert to the United States, together with any improvements thereon—

(A) 1 year from the date on which Columbia Hospital defaults in paying to the United States an annual installment payment of $869,000, when due; or

(B) immediately upon any attempt by Columbia Hospital to assign, sell, or convey the described property before the United States has received full purchase price, plus accrued interest.

The Columbia Hospital shall execute and provide to the Administrator such written instruments and assurances as the Administrator may reasonably request to protect the interests of the United States under this subsection.

(2) RELEASE OF REVERSIONARY INTEREST.—The Administrator may release, upon request, any restriction imposed on the use of described property for the purposes of paragraph (1), and release any reversionary interest of the United States in the property conveyed under this subsection only upon receipt by the United States of full payment of the purchase price specified under subsection (d)(2).

(3) PROPERTY RETURNED TO THE GENERAL SERVICES ADMINISTRATION.—Any property that reverts to the United States under this subsection shall be under the jurisdiction, custody and control of the General Services Administration shall be available for use or disposition by the Administrator in accordance with applicable Federal law.

Mr. CAMPBELL. This amendment has been cleared on both sides of the aisle, and we are ready to adopt it. I ask unanimous consent the amendment be agreed to.

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

The amendment (No. 1201) was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENTS NOS. 1215, 1216, AND 1217

Mr. DORGAN. Mr. President, I have three amendments, two of which were to be offered by Senator GRAHAM and one to be offered by Senator COCHRAN. The amendments were left in the Cloakrooms on a timely basis but were not part of the submissions that Senator CAMPBELL and I offered before the 12 noon deadline. Senator CAMPBELL and I ask consent that these three amendments be considered timely filed and offered.

I send the amendments to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be numbered and laid aside.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENT NO. 1193

(Purpose: To enable the State of Rhode Island to meet the criteria for recommendation as an Area of Application to the Boston-Worcester-Lawrence; Massachusetts, New Hampshire, Maine, and Connecticut Federal locality pay area)

Mr. REED. Mr. President, I ask that my amendment to the bill be called up at this time. It has already been laid down.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. REED], for himself and Mr. CHAFEE, proposes an amendment numbered 1193.

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

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

The amendment is as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. Section 5304 of title 5, United States Code, is amended by adding at the end the following:

''(j) For purposes of this section, the 5 counties of the State of Rhode Island (including Providence, Bristol, Newport, Kent, and Washington counties) shall be considered as 1 county, adjacent to the Boston-Worcester-Lawrence; Massachusetts, New Hampshire, Maine, and Connecticut locality pay area and the Hartford, Connecticut locality pay area.''.

Mr. REED. Mr. President, this amendment I am offering, on behalf of myself and Senator CHAFEE, deals with a problem that is particular to Rhode Island. The problem involves what is known as locality pay. That is the differential pay that Federal employees are given because of higher costs in the area in which they live and work. Essentially it is a comparison between the labor cost in the private sector and the Federal sector. If there are higher private labor costs, there is a differential added to the paycheck of the Federal employee in the particular area.

The problem with Rhode Island is, because of the complicated rules of allocation, my entire State is excluded from locality pay. So Federal workers who work in Rhode Island do not receive locality pay, even though their fellow workers, in some cases just a few miles away, in Massachusetts or Connecticut, receive this differential locality pay.

Now, the reason the rules disadvantage Rhode Island is, essentially, to

qualify for locality pay, you have to have at least 2,000 workers in a county and that county has to be contiguous to another locality area. This is a map of New England and parts of New York. Because of the high cost of labor in Boston and in these major areas, such as New York City and Hartford, CT, because of the concentration of workers, these areas in blue represent locality pay areas. However, Rhode Island has been, in a sense, discriminated against because, for one thing, the managers of this program have stopped the locality line about 4½ miles from the border, in some cases. In a county in which we have 3,500 workers—we have enough workers in Newport County, but we are not contiguous to a locality pay area. In northern Rhode Island, we don't have 2,000 people in a certain county, but we are contiguous to another area. So the combination of these rules of numbers of Federal employees and being contiguous to a high locality pay area works to the detriment of Rhode Island.

Let me suggest something else that also I think is unique in the situation of Rhode Island. We, I think unlike every other State in the U.S., do not have county governments. We don't operate anything on a county basis. Rhode Island is the smallest State in the Union, roughly 70 miles long and 35 miles wide. The concept of county is something that really is not apropos. When you look at some of the larger States in the country where counties are of sufficient size, where they easily accommodate several thousand workers, then it makes a difference but not in Rhode Island.

The proposal that Senator CHAFEE and I have developed is quite simple; that is, to consider the entire State of Rhode Island as a county. Frankly, in the context of the United States, it is about the size of many counties. If we had that change in the law, we would have a situation where our workers in Rhode Island—we have approximately 6,000 Federal employees —would, in fact, be in an area contiguous to locality pay zones and would qualify for the extra pay. What does this mean in the paychecks of our workers? Essentially, what they are seeing is 3.45 percent less in their 1999 paychecks than people doing the same jobs in New London, CT, and in Boston, MA. In fact, Boston is about 40 miles from Providence. So we have this awkward situation. In fact, we have people who live in Rhode Island and work in Boston for the Federal Government and get paid higher than their neighbors who live in Rhode Island and work in Providence, RI. So this situation is both unfair and, I think, unfortunate.

Our amendment would correct that situation and it would do so in a way which, I think, would not do great damage to the overall structure of locality pay throughout the United States. After all, we are talking really about a unique situation—the smallest State in the country, which has no effective counties in it as a measure of any governmental type of activity. So I suggest very strongly that we approach this with a legislative solution.

I must thank both the subcommittee chairman, Senator CAMPBELL of Colorado, and also the chairman of the authorizing committee, Senator THOMPSON. We have been talking with both individuals and they have been most helpful, as have their staffs. They have suggested that we can probably, with their assistance, make more progress by simply today discussing and describing the issue and then relying upon our mutual efforts to try to derive some type of administrative solution to this issue.

Let me say one other thing that makes this a very compelling problem to us. This is not simply going out and saying I want to have my workers treated the same way their brethren and sisters are treated just 30 miles away; there is something else here. We find it, in certain cases, difficult to recruit Federal workers to come into the Rhode Island area because if they have a choice between going to Boston or to parts of Connecticut, or parts of Long Island, NY, in the same region, they will choose these other regions because they will automatically get a 3, 4, 5 percent pay increase, simply by choosing to work in Boston rather than working in Providence.

We have, in the past, tried to recruit individuals to come into our FBI and our Secret Service office, and many, many qualified people have said: I would love to work there. The challenges are there, the career potential is there, but the problem is, how can I turn to my family and say I am going to take a 3, 4, 5 percent pay cut?

This really affects our ability to recruit those individuals that we need—as anyplace needs—to effectively run our Federal agencies. So both Senator CHAFEE and I are concerned about and committed to this issue. First, we recognize that this is something that, with the cooperation and the help of the Appropriations Committee and Senator CAMPBELL, and the authorizing committee with Senator THOMPSON, and their ranking members, we hope we can make progress on the administrative front.

At this time, unless the Senator from Colorado has comments, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER (Mr. BUNNING). The Senator has that right.

The amendment is withdrawn.

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

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for up to 8 minutes.

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

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Dan Alpert, a fellow in my office, be permitted floor privileges during the pendency of this bill and during the morning business time.

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

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 1315 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BINGAMAN. Mr. President, I appreciate the time provided by the managers.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CAMPBELL. Mr. President, while we are waiting for Senators to come to the floor with amendments, I would like to speak to two sections of the Treasury and general government appropriations bill that are, I believe, of great importance.

The first is called the GREAT Program—the Gang Resistance Education and Training, or GREAT Program. This is a program that is administered by the Bureau of Alcohol, Tobacco and Firearms, in partnership with State and local law enforcement.

Unfortunately, gang activity has increased in our country in recent years, as the Chair well knows.

ATF has developed a program to give our children the tools they need to be able to resist the temptation to belong to a gang.

The GREAT program is only seven years old, but has already grown from a pilot program in Arizona to classrooms all over the United States—and in Puerto Rico, Canada, and overseas military bases. ATF estimates that about 1.7 million students have received GREAT training.

GREAT was designed to provide gang prevention and anti-violence instruction to children in a classroom setting. ATF trains local law enforcement officers to teach these classes, and provides grants to their offices to help pay for their time.

Needless to say, working policemen in classrooms do a lot to dispel the sometimes erroneous myths that children have about working policemen.

This program is having a positive effect on student activities and behaviors, and is deterring them from involvement in gangs. A side benefit is

that the graduates seem to be doing a better job of communicating with their parents and teachers, and getting better grades.

Last year the Subcommittee on Treasury and General Government held a hearing on the GREAT Program. The highlight of the morning was listening to the students from Colorado, Wisconsin, Arizona and a number of other States as they told about what they learned when they took the classes. It was very encouraging to hear how some of these kids actually turned their lives around because of this training.

For the second year in a row, the administration is requesting only $10 million for grants for the GREAT program. Last year, Congress felt that wasn't enough to fund the many requests for help from State and local law enforcement and provided $13 million for GREAT grants. $10 million still isn't enough.

We are asking again in this bill to provide $13 million. I urge my colleagues to support the effort of the committee to again provide $13 million for grants to State and local law enforcement for this worthwhile and effective program.

The other section of the bill I would like to mention for the knowledge of my colleagues is what is called the National Center for Missing and Exploited Children.

This center was created in 1984, and is dedicated to finding every missing child and helping to prevent the abduction and sexual exploitation of all children.

Sadly, we are not 100 percent successful. Every year thousands of children are put at risk. In fact, every day in the United States 2,300 children are reported missing to different law enforcement agencies.

The National Center for Missing and Exploited Children works closely with three entities under the jurisdiction of this bill—the Customs Service, the Postal Inspection Service, and the Secret Service. I think it is important for my colleagues to be aware of the contributions of these different agencies.

In 1987, the Customs Service was the first Federal law enforcement agency to agree to be the contact point for tips and leads from the toll-free Child Pornography Tipline. Under direction provided by the committee, support for the Tipline will continue in the fiscal year 2000. This funding will be used for promotional brochures, public service announcements, and a campaign to educate teenage girls about the risks they may encounter and the ways to stay safer from crime.

In March of last year, the Customs Service and the National Center for Missing and Exploited Children launched the new CyberTipline to allow parents to report incidents of suspicious or illegal internet activity. For the benefit of my computer literate friends, that internet address is ''www.missingkids.com/cybertip.''

The U.S. Postal Inspection Service and the National Center for Missing and Exploited Children have a longstanding relationship in combating child pornography and sexual exploitation of children. For over ten years, information developed from the Child Pornography Tipline has been provided to the Postal Inspection Service for investigative purposes. In addition, the Center has provided technical assistance when needed for specific investigations. The Postal Inspection Service has provided continuing assistance to the Center through training, development of publications, and outreach programs.

In late 1996, a cooperative agreement with the Secret Service Forensic Services Division resulted in the creation of the Exploited Child Unit. This unit focuses on combating child molestation, pornography, and prostitution. They raise public awareness about the problem of pedophilia and focus educational efforts on child safety on the internet.

This bill today gives ample opportunity to provide funding for both of these programs. This particular program will provide $2 million for forensic support of investigations and $1.996 million for the exploited child unit. This money will be well spent.

I know my colleagues will be willing to support this.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. KYL. Mr. President, I ask of you, or the distinguished chairman of the Treasury and General Government Appropriations Subcommittee, what the process is to call up one of the amendments that has been laid down, specifically No. 1195? Do I need to ask unanimous consent to set aside the pending business? What is appropriate?

The PRESIDING OFFICER. The Senator has the right to call up his amendment.

AMENDMENT NO. 1195

(Purpose: To increase by $50,000,000 funding for United States Customs Service for salaries and expenses to hire 500 new inspectors to stop the flow of illegal drugs into the United States and facilitate legitimate cross-border trade and commerce)

Mr. KYL. Mr. President, I call up amendment No. 1195, dealing with the appropriation of additional funding for 617 Customs inspectors.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL], for himself, Mrs. HUTCHISON, Mrs. FEINSTEIN, Mr. ABRAHAM, Mr. GRAHAM, and Mr. GRAMM, proposes an amendment numbered 1195.

The amendment is as follows:

On page 13, line 24, strike ''$1,670,747,000'' and insert ''$1,720,747,000''.

On page 15, line 6, before the period, insert the following: '': *Provided further,* That $50,000,000 shall be available until expended to hire, train, provide equipment for, and deploy 500 new Customs inspectors.''

On page 49, line 13, strike ''$38,175,000'' and insert ''$36,500,000''.

On page 50, line 1, strike ''$23,681,000'' and insert ''$22,586,000''.

On page 53, line 3, strike ''$624,896,000'' and insert ''$590,100,000''.

On page 58, line 8, strike ''$120,198,000'' and insert ''$109,344,000''.

On page 62, line 26, strike ''$27,422,000'' and insert ''$25,805,000''.

Mr. KYL. Mr. President, this is one of the amendments which was offered during the subcommittee markup but which we did not pursue because we had not identified offsets for the additional $50 million being requested, and we wanted an opportunity to try to work it out before the bill came before the Senate.

We have not really worked out all of the details of this. Therefore, I am informed by the chairman of the subcommittee he may not be able to support this amendment at this time.

It is my intention to at least begin the process on behalf of myself and Senator HUTCHISON, who hopefully will be present shortly, so we can begin the discussion as to how to find a way to fund some additional Customs inspectors, particularly to be deployed on the southwest border.

Before I describe the problem and the reason for this, I commend the chairman and the ranking member of the subcommittee for a really heroic effort to save existing Customs inspectors.

What had happened is, the way the administration's budget had been prepared, it was going to fund existing agents out of a fee structure that never had any chance of being passed by the Congress or implemented into law. Had not the chairman and ranking member acted quickly to find other sources of funding, we would have lost 617 existing Customs inspectors, but they were able to find that money elsewhere.

As a result, those positions have been saved at least for now. Where that leaves us is exactly even, with no increase in Customs officers, despite the huge increases in the number of people and the amount of commercial traffic crossing our border, particularly in the Southwest.

What that means is we are just literally dead in the water despite the efforts of the subcommittee chairman, Senator CAMPBELL.

That is why we wanted to find an additional $50 million to hire 500 agents—only 500 agents—for next year to help with this problem.

Let me describe a little bit the problem on the Southwest border. As you know, we passed NAFTA. NAFTA has enabled us to dramatically increase commercial traffic between Mexico and the border, our four border States of the United States. But even without NAFTA, we would still have an increase in commercial traffic as well as the daily traffic between the communities south of the border and the American cities on our side.

I was somewhat amused that my colleague from Michigan, Senator ABRAHAM, was very concerned about the situation on the Canadian border near Detroit. He was lamenting the fact we could end up with a situation where there was a 2-minute delay for every car going through the border checkpoint—a 2-minute delay. Just think what that would mean with the large number of people who wanted to cross into the United States from Canada each day.

The reason I had to chuckle a little bit is, if we are successful, if we do get some additional agents, and the chairman of the subcommittee is successful in protecting what we have, our goal, stated by the Finance Committee, is to get to the point where we will only have a 20-minute delay per car at the Arizona border or at the Mexican-United States border.

A 20-minute delay every time you want to cross the border becomes onerous, particularly to people who live in the border communities and who every day cross the border for business or for family or pleasure reasons. There are literally hundreds and thousands of people who do that every day. This does not speak of the commercial traffic, which I will talk about in just a moment.

The point is, we are trying to get to a point where it only takes you 20 minutes to come into the United States or to go into Mexico. But we are talking specifically about coming into the United States. That is a very onerous situation when you are trying to promote commerce as well as more tourists coming to the United States, as well as families. So this is not something that is a luxury but something I think everyone would recognize is very important.

I will talk about some of the numbers because I think it is very instructive.

The traffic congestion at any of our border crossing points into Mexico—you just have to be there to see it. The number of commercial trucks, for example, that cross the border annually in my State of Arizona increased from 287,000 in 1994 to 347,000 in 1998. We do not have the personnel to keep up with that congestion.

For example, in San Luis, AZ, which depends very heavily on cross-border trade, you can easily wait 3 hours to cross. That is not unheard of at all, to sit there for 3 hours waiting to cross into the United States. This is during times when it is very critical, particularly for produce. Much of the commercial traffic that comes from Mexico to the United States is produce. It does not do any good for that produce to be sitting out there for 3 hours in the very warm sun south of Yuma, AZ, waiting to come in through the border crossing.

I ask my colleagues, if they had to wait 3 hours every time they wanted to get someplace on Capitol Hill, how long they would stand for it. Obviously, not very long.

We just don't have enough Customs inspectors, however, to staff that San Luis port even to stay open during some key hours. I point out, the commercial point is closed on Saturdays. So we are only talking about general business hours.

In effect, what ends up happening is, you get cancellations or reroutes hundreds of miles away to other ports when you have these kinds of long delays. The number of inspectors at this particular port of San Luis has increased. Do you want to know by how much it has increased? One inspector over the last 5 years. That is all. It went from 51 to 52. Obviously, we are not keeping up with the traffic.

The same is true of the port of Nogales, which is the largest port in Arizona. There the fresh produce industry is very big, both import and export. It is over $1.5 billion a year. It is now the fifth busiest port on our Southwest border. But the Nogales port does not have enough inspectors. The number of inspectors there actually decreased last year by seven.

According to the Fresh Produce Association of America, there have been occasions, even during the low-produce season, where 6-mile truck backups have occurred down in Mexico. Just think about that for a moment—6 miles of trucks waiting to clear Customs. It is not at all uncommon for the truckers to come to the border and literally have to wait overnight before they can find a slot the next day to cross into the United States. And we are trying to encourage trade?

We understand that trade benefits people on both sides of the border. Obviously, we are not doing our part when the produce from Mexico cannot come into the United States because we do not have enough inspectors.

The lack of personnel on our borders is also a very serious problem with respect to the interdiction of illegal drugs and other contraband. As we all know, the Customs inspectors are really our first line of defense there. I have been on the border where you have these huge, long lines of traffic. Everybody is anxious to get through, and you just have a few ports with a few inspectors there struggling mightily to determine whether or not there may be some illegal drugs or contraband. We have given them some good high-tech equipment they can use, but it still requires manpower. Every week, they are able to stop some kind of traffic in which smuggling is going on, but they do not begin to catch even a fairly significant percentage of it.

Just to give you an idea what they have been able to accomplish, between 1994 and 1998 heroin seizures have gone up by 2,078 percent, marijuana seizures up 80 percent. It is clear that more Customs inspectors are needed to keep up with these increasing percentages of attempts to smuggle drugs and other contraband into our country.

As I mentioned a moment ago, the Finance Committee marked up its version of the Customs reauthorization bill not too long ago. In it, they approved legislation that Senators DOMENICI, GRAMM, HUTCHISON, and MCCAIN, and I and other border Senators introduced, to increase the Customs personnel in order to reduce the wait times there to better fight the war on drugs and to enhance commerce to 20 minutes per vehicle.

When we can't even provide the funding to get the wait times down to 20 minutes per vehicle, we are derelict in our duty; we are failing in our responsibility; and the responsibility is on the Congress of the United States.

That is why Senator HUTCHISON and I have introduced this amendment to add $50 million for 500 inspectors. We may take one item out to make it $49 million so that the offsets we have provided would be more easily supportable by our colleagues, but this is an increase of merely 500 agents with this $50 million. That is what it costs to get the equipment and the training and get this number of Customs inspectors actually on line at one of our ports of entry.

The amendment, as I said, will actually permit the deployment of these agents during the next year to one of these points of entry where they are needed for the Southwest border.

Just to focus a little bit more on the specific need with respect to commerce there, should my colleagues be interested, the number of trucks crossing the U.S. border annually has increased from 7.5 million in 1994 to over 10 million in 1998. That is a 40-percent increase. More than 372 million people crossed either the United States-Mexico or United States-Canadian border in the last fiscal year.

But even with this huge increase in the crossings, of both individuals and commercial traffic, the number of Customs inspectors and the canine enforcement officers—that is an important part of this, too—has only increased by 540 people between 1994 and 1998. That is simply not enough to keep up with the commercial traffic, let alone the missing of opportunities to seize illegal drugs.

Of the 3,400-plus pounds of illegal heroin seized last year, Customs seized

2,700 pounds. Of the 1.76 million pounds of marijuana seized, Customs seized just under 1 million pounds. And of the roughly 265,000 pounds of cocaine seized last year, Customs seized 148,000 pounds.

Clearly, this is where the first line of defense is in our war on drugs. I know my colleagues and I love to stand here and talk about how we need to get tougher in the war on drugs. This is our chance. The first line of defense in the war on drugs in the United States is at the point of entry where people attempt to bring this illegal contraband into our country and, because we are unwilling to fund the number of customs inspectors required, we don't have enough people on the border to check every vehicle and, therefore, to find and to stop these kinds of illegal drugs coming into our country.

I know the chairman of the subcommittee has talked a lot about the need to meet this need. I don't think there are any of us who don't appreciate what we have to try to do. It is very difficult in a tough budget environment to find the money to do it.

What I have tried to point out is that we have to set priorities. If you look at all of the other parts of the budget, I can't find hardly any area in this particular budget that, in my view, has a higher priority than protecting our kids from drugs, than protecting our border from people who are literally invading our country with illegal substances to do detriment to our citizens. What is more important in this budget than that?

I, literally, challenge my colleagues who will oppose our amendment, defending appropriations that are in this mark for their particular area of interest, because we have had to provide $50 million in offsets in order to fund this $50 million for increased Customs agents, I challenge my colleagues to come to the floor and be willing to explain why what they are trying to protect in this budget is of a higher priority than stopping drugs at our border. I will be very curious to see how many of our colleagues are willing to come and vote against our amendment because it is taking funding out of something that is important to them, to explain to us why that is more important than this.

I am sorry to present that challenge as directly as I am. I think if we are going to be serious about this problem, rather than just talk about it, we have to address this in a very serious way that makes tough choices, that prioritizes. We can't just say, well, it is hard to do, and, therefore, we will try to do it next year. That is why we are so insistent on trying to accomplish this now.

There is much more I could say about this particular problem at this time. Senator KAY BAILEY HUTCHISON is going to speak to this amendment as well. Perhaps the chairman of the subcommittee would like to address the issue now; I am not certain. Perhaps I could make that opportunity available, should the subcommittee chairman wish to avail himself of it.

If not, I am happy to speak to the issue more.

Let me stop at this point and see if Members might have any other conversation on this amendment.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I thank my friend from Arizona for bringing this to the attention of the Senate. I certainly understand and sympathize with him. My State borders his, and I spend a good deal of time in Arizona. I am fully aware of the problem we have with our borders. They are like a sieve, very frankly.

I wish we could have found the additional $50 million he asked for, but, as he has already mentioned, we did have some budget constraints. We simply could not find it.

Let me tell my colleagues from where the Senator from Arizona would take the money to offset the $50 million additional money he would like to put in this account. He would take $1,675,000 from the Federal Election Commission. He would take $1,095,000 from the Federal Labor Relations Authority. He would take $34,786,000 from the GSA. These are repairs and alterations that are badly needed for Federal buildings across the country. He would take $10,854,000 from the GSA policy and operations account, and $1,617,000 from the Merit Systems Protection Board.

I will talk for a few minutes about what we have done. First of all, in this bill the committee has provided $1.67 billion in funding for fiscal year 2000 for the Customs Service. This level is $263 million more than was requested by the administration and provides for maintaining current levels of funding and other related costs as well as nonrelated labor issues associated with the increase of inflation, with the exception of the fiscal year 1999 pay raise component.

The committee has provided new funding for the Customs integrity awareness effort, totaling $4.3 million. In addition, the committee provided an additional $2.5 million for the establishment of an assistant commissioner for training, which will provide in-service training and professional development of Customs personnel. There have been news reports about the breaches of integrity within the Customs Service. These programs are in response to those issues. This funding will assist the Customs Service in improving their hiring methodologies, ensuring that applicants are of the highest quality. In addition, the funding will improve the recruitment and redesign of the hiring process as well as support existing personnel.

The committee has continued level funding for the Customs Service child pornography efforts. The committee has been very pleased by the Customs Service's efforts, given the limited resources dedicated to that program. The committee has also provided $19 million in funding for items associated with technology and staffing along the Southwest border, to which the Senator alluded.

Last year, as part of the fiscal year 1999 emergency drug supplemental funding, this committee provided an additional $80 million for nonintrusive inspection equipment on top of the $40.6 million for a variety of technologies for the Southwest border. This funding provided for the purchase of a mobile truck X-ray system, railcar inspection systems, gamma ray inspection systems, and higher energy, heavy pallet X-ray systems. Of the $276 million of funds provided in that emergency supplemental, the Customs Service has not yet obligated all those funds. In fact, as of today, there is $143 million that has not been spent in the account.

In addition, there is sufficient funding to cover the costs of the annualization of Operation Hardline and GATEWAY, as well as equipment annualization for fiscal year 1999. This will allow Treasury to annualize the cost of these border-related positions.

In addition, there is $1.29 million included to cover the cost for the mandatory workload increases during peak processing hours for the new crossings, including staffing and the dedicated commuter lane in El Paso, TX.

The committee has also included new funding for the Customs Integrity Awareness Program at $4.3 million, so the total cost of the effort is now $18 million. That is $6 million in the base and $4.3 million for this year for polygraphs and $8 million for agent inspector relocations.

I wish we could have done more. Very simply, as everybody in this body knows, we were up against budget constraints. We simply did not have the money to fund all the things that we would like to.

I yield the floor.

Senator REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I know the Senator from Texas is here to debate the Kyl-Hutchison amendment. I think that is appropriate. I want to respond briefly to Senator KYL's statement.

We are working under some very difficult budget constraints. There is a budget that is affecting the work we do on the floor that I didn't support. It was a budget that was given to us and passed by the majority. There are all kinds of problems we have with domestic discretionary spending, including more Customs agents. I would love to have more Customs agents. We need

them very badly in Las Vegas, the most rapidly growing area in the whole country.

Remember, we, on this side of the aisle, did not vote for that budget. The budget we are working under is the budget that was given to us by the majority. With all of our domestic discretionary programs, we have a lot of problems, not the least of which is Customs agents.

I hope the American public is aware of the fact that veterans' benefits, as a result of the budget we have, are being stripped significantly. I hope there will be an effort made to have more money placed in the allocations to allow more appropriate and fair spending for domestic discretionary programs in all of our appropriations bills.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I hope we will be able to allocate the $50 million in the Kyl-Hutchison amendment for the hiring of new Customs agents.

We have a terrible situation. I understand the position of Senator CAMPBELL and Senator REID in having to allocate this money. I think they have done a yeoman's job working within the budget constraints.

The fact of the matter is, in any budget, any family has to set priorities. This administration has refused to set a priority of protecting our borders from illegal immigration and illegal drugs coming in. The fact is, they asked for no new Border Patrol agents this year, even though Congress has allocated 1,000 new Border Patrol agents every year for 5 years starting 2 years ago.

They didn't even hire the allocation in this year's budget. We authorized and paid for 1,000 Border Patrol agents in this year's budget, and this administration has only been able to hire 200 to 400 agents. Since we lose so many, we are worse off than we were when we started this fiscal year.

Now we come to Customs agents who are, once again, on the front line, particularly for illegal drugs because they are the ones responsible for searching trucks and cars that come in through the border. Once again, we have a request from the President for zero new Customs agents. The Customs Office itself asked for 617 new Customs agents. Look at what these Customs agents are doing. More than $10 billion in drugs flow across the U.S.-Mexico border each year. Last year, the Customs Service seized 995,000 pounds of marijuana, 148,000 pounds of cocaine, and 3,500 pounds of heroin.

We are talking about not fully funding new agents, to not give these people on the front line the help they need in stopping the flow of illegal drugs into our country. In Loredo, TX, the biggest commercial port of entry on our southern border, there were over 1 million truck crossings last year. There are routine waits of 4 to 6 hours. At El Paso's Bridge of the Americas, the hours of operation are from 6 a.m. to 5 p.m., but because the Customs Service can't afford to pay overtime, they have to close at 4 so that they will be able to actually finish the people in the pipeline by 5. Trucks entering an import lot after 4 have to wait until 6 the next morning just to have their documentation cleared. This is hurting not only our ability to curb illegal traffic, but it is also hurting trade and free trade and ratcheting up the cost of goods coming in from the border. So it is very important that we look at Customs agents as the front line for getting illegal drugs stopped at our country's borders.

DEA Administrator, Tom Constantine, was before the Commerce, State, Justice Subcommittee this past March, and he said:

> The vast majority of drugs available in the United States originate overseas. The international drug trade is controlled by a small number of high echelon drug lords, who reside in Colombia and Mexico. Most Americans are unaware of the vast damage that has been caused to their communities by international drug trafficking syndicates, most recently by organized crime groups headquartered in Mexico. At the current time, these traffickers pose the greatest threat to communities around the United States. Their impact is no longer limited to cities and towns along the Southwest border; traffickers from Mexico are now routinely operating in the Midwest, the Southeast, the Northwest, and, increasingly, in the northeastern portion of the United States.

We need to have as a priority stopping illegal drugs coming through our borders. And if the administration continues to ask for zero new border patrol agents and zero new Customs agents, we are not going to be able to win the war on drugs. We cannot do it.

Senator KYL and I didn't choose to go in and take from other parts of the budget; that was our only option. When the President comes in with a budget that asks for no new Customs agents, we could do nothing but try to find offsets in order to maintain the integrity of the budget. So we went for administrative costs that were increases in spending over last year. It wasn't our choice to do this, but the difference between having increases in the GSA budget or increases in Customs agents who are going to be on the front line stopping illegal drugs from coming into our country, and to ease the flow of trade into our country, it seems to me, is pretty clear.

So I hope that we can make this a priority. I look forward to working with Senator CAMPBELL and Senator REID in the conference committee to try to mitigate the impact of any cuts that would be made in other budgets. I understand their position and having to defend this bill. They had hard choices to make. But we can't choose to walk away from law enforcement on our borders. This is a Federal responsibility. We can't fill in with local law enforcement officers. They don't have the capability to stem the flow of illegal drugs into our country.

So I hope our colleagues will support the Kyl-Hutchison amendment. We will do everything we can to mitigate the cuts that we are making in other areas, but it has to be our priority to get control of our sovereign borders, to keep illegal drugs from going into Cleveland, OH, or from going into Tacoma, WA, or Wilmington, DE, because that is where these drugs end up; they don't stay on the border. They infiltrate our country, and we must stop it. This is one of the ways we are going to try to do that.

I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. CAMPBELL. Mr. President, I have to tell you, I have no quarrel with my colleagues from Texas and Arizona in my efforts and interests in reducing the use of drugs in America, since I helped write this bill and I have been on the forefront of trying to reduce drugs and putting money where it is most needed. But I remind my friend from Texas that, in fact, in this bill we put in $263 million over the administration's request. In addition, as I have already said, of the $276 million of funds provided in the emergency supplement, which was signed into law on May 31 of this year, Customs has still not spent $143 million of that money. I know some of it is for equipment, but certainly some of that could be transferred within the Department to areas that need it. We have done the best we can.

Mrs. HUTCHISON. If the Senator will yield, I was thinking as we were talking about this, and as the Senator was making his point, perhaps we could look for offsets within Customs' budget, as well as some of these other areas. We would like to pass the amendment, but we also would like to maybe look for other ways that Senator KYL and I could set priorities within the Customs Department budget and maybe work something out that would not hurt another agency as much but we reprioritize within the budget.

Mr. CAMPBELL. We will be happy to work with the Senator from Texas and Senator KYL. If we can find the offsets within Customs' budget, we would be delighted to work with the Senator.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I just wanted to address a comment to the chairman of the subcommittee, Senator CAMPBELL. I made the point when I first began to speak that without his efforts, we would not have been able to

save existing Customs inspectors. I misspoke and understated the nature of the problem and, therefore, the significance of what Senator CAMPBELL was able to accomplish. I think in the way I stated it, I said there were 617 additional inspectors that were at risk. Actually, I think the number is closer to 5,000.

Had Senator CAMPBELL and the other leadership of the subcommittee not gotten to the problem to find an additional $312 million, as he pointed out, all 5,000 of those existing inspectors would have been at risk because they were being funded by a source which was not ever going to materialize and, in fact, which has not materialized. So in announcing the chairman's successes, I actually understated the nature of what he was able to accomplish. Senator HUTCHISON and I, therefore, take nothing away from the chairman of the committee, who has had to scramble very hard to try to help find a solution to this problem of Customs agents at our borders.

We have expressed, I think, in the strongest terms that we can, our appreciation for that. The chairman doesn't have to remind us of the hard work that he has put into that. We simply are of the view that we have to find a way to do more than tread water to stay even because, as both of us have pointed out, the traffic at the border is not staying even. The drug smugglers' efforts to bring more contraband into the country is not staying even. We have to try to keep up. The modest increase we are talking about is an effort to try to keep up with the nature of the problem that we have.

Point No. 1, the chairman is absolutely correct. They fought very hard to get additional money just to save the status quo.

But I think the second point we are making is also valid; that is, preserving the status quo isn't good enough. We need to try to find a source to at least find another $50 million for these additional Customs inspectors to at least try to keep pace with what is going on at our borders.

I ask the chairman, if there is no further discussion, we could simply defer a vote on this until afterwards. It is my understanding there will be a vote on the Lautenberg amendment in roughly 90 minutes or so. Perhaps we can simply conclude this conversation now and schedule any vote immediately after that.

Mr. CAMPBELL. Mr. President, I move to table the Kyl amendment and ask for the yeas and nays. I further ask that the vote on the Kyl amendment take place immediately after the vote on the Lautenberg amendment, No. 1214, which we expect to take place later this afternoon.

However, I will be happy to work with my colleague, and if we can find a solution or a way to offset the money in the Customs' budget, at that time I will ask to vitiate this motion to table.

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

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CAMPBELL. Mr. President, I have a unanimous consent request. I ask unanimous consent that the time prior to the motion to table amendment No. 1214, the Lautenberg amendment, be limited to 90 minutes to be equally divided in the usual form, and that no other amendments be in order to the amendment prior to the motion to table.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CAMPBELL. I thank the President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Mr. President, I thank the manager of the bill for allowing me to do this.

I ask unanimous consent to speak for about 6 minutes to introduce a bill.

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

The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1317 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CAMPBELL. Mr. President, we have an agreement worked out on two amendments dealing with child care centers and Federal activities.

AMENDMENT NO. 1197

(Purpose: To ensure the safety and availability of child care centers in Federal facilities)

Mr. CAMPBELL. I ask the Jeffords amendment No. 1197 be called up.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. JEFFORDS and Ms. LANDRIEU, proposes an amendment numbered 1197.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. ROBB. Mr. President, I'm pleased to join Senators JEFFORDS and LANDRIEU as a cosponsor of this amendment that helps address an issue affecting many lower pay-grade federal employees with young children: affordable child care. Often there are facilities available to fill this need, but the costs puts this option beyond the reach of these families. This amendment addresses this concern by allowing the use of appropriated funds to help these families. Though I am concerned that the House may be uncomfortable with the overall scope of this amendment, I look forward to working with Senators JEFFORDS and LANDRIEU to make sure this measure or a reasonable compromise is acceptable to both the House and the Senate.

Ms. LANDRIEU. Mr. President, I rise to reiterate the importance of an amendment that we agreed to earlier today by unanimous consent. This amendment offered by Senator JEFFORDS and myself will increase the availability, safety, and quality of Federal child care.

I firmly believe that the Federal Government should serve as a model for other employers to implement child care services in this country. These services must be affordable, safe, and be provided in an atmosphere that supports healthy development and growth of children. We have already made much progress within the Department of Defense with the enactment of legislation that ensures quality, safe and affordable child care to defense employees. The DoD program is now considered one of the finest in the world. It is now time to take this exemplary model and expand it to all Federal agencies.

The executive branch of Government has responsibility for over 1,000 child care centers—788 through the military, 109 through the General Services Administration, and 127 through other Federal departments. Over 215,000 children are being provided child care through these various Federal programs.

Unfortunately, almost 1/3 of Federal employees with young children may not have access to any Federal child care services. We need to ensure all children of Federal employees, not just those under the Department of Defense, have access to high quality and affordable child care.

Every parent should know that when they drop their children off at a Federal day care facility that their child is safe—because we have enacted uniform safety standards for these child care facilities.

We also must make efforts to ensure that child care is made available to every Federal employee regardless of their income. Now, more than ever, Federal employees are struggling to balance work and family obligations. They are also struggling to pay for the cost of child care. Currently, the cost of quality child care services ranges from $3,000 to more than $10,000, depending on where a person lives. In my State, this care ranges from $3,000 to $6,000. Unfortunately, many families in Louisiana cannot afford this cost. In fact, there are over 500,000 children throughout Louisiana whose families earn under $27,000.

One of the first steps that the Federal Government can and should take is to provide a model for other employers to follow, so more individuals will have greater access to affordable and

quality child care. Moreover, if the Federal Government is to remain a credible provider of child care services, Congress must enact this important amendment. I look forward to working my colleagues in the House and Senate to ensure adoption of this legislation in the conference report.

Mr. JEFFORDS. Mr. President, this amendment will go a long way toward ensuring the safety and healthy development of children of federal employees who are cared for in federally sponsored or operated child care centers. The Senate passed this amendment last year on the Treasury-Postal appropriations bill by unanimous consent. Unfortunately, it was dropped during the last few hours of the conference. So I am back again this year.

In 1987, Congress passed the Trible amendment which permitted executive, legislative, and judicial branch agencies to utilize a portion of federally owned or leased space for the provision of child care services for federal employees. The General Services Administration (GSA) was given the authority to provide guidance, assistance, and oversight to federal agencies for the development of child care centers. In the decade since the Trible amendment was passed, hundreds of federal facilities throughout the nation have established onsite child care centers which are a tremendous help to our employees.

As you know, Federal property is exempt from state and local laws, regulations, and oversight. What this means for child care centers on that property are not subject to even the most minimal health and safety standards. Even the most basic state and local health and safety requirements do not apply to child care centers Federal facilities.

I find this very troubling, and I think we sell our federal employees a bill of goods when federally owned leased child care cannot guarantee that their children are in safe facilities. The Federal Government should set the example when it comes to providing safe child care. It should not be turn an apathetic shoulder from meeting such standards simply because state and local regulations do not apply to them.

As Congress and the administration turn their spotlight on our nation's child care system, we must first get our own house in order. We must safeguard and protect the children receiving services in child care centers housed in federal facilities. Our employees should not be denied some assurance that the centers in which they place their children are accountable for meeting basic health and safety standards.

This amendment will require all child care services located in federal facilities to meet, at the very least, the same level of health and safety standards required of other child care centers in the same geographical area. That sounds like common sense, but as we all know too well, common sense is not always reflected in the law.

It should also be made clear that state and local standards should be a floor for basic health and safety, and not a ceiling. The role of the Federal Government—and, I believe, of the United States Congress in particular—is to constantly strive to do better and to lead by example. Federal facilities should always try to provide the highest quality of care. The GSA has required national accreditation in GSA-owned and leased facilities for years, and the majority of child care centers in GSA facilities are either in compliance with those accreditation standards or are strenuously working to get there. This is high quality of care towards which we should strive for in all of our Federal child care facilities.

Federal child care should mean something more than simply location on a Federal facility. The Federal Government has an obligation to provide safe care for its employees, and it has a responsibility for making sure that those standards are monitored and enforced. Some Federal employees receive this guarantee. Many do not. We can and must do better.

I urge my colleagues to support this amendment.

Mr. CAMPBELL. I ask the amendment be accepted.

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

The amendment (No. 1197) was agreed to.

AMENDMENT NO. 1211 WITHDRAWN

Mr. CAMPBELL. I call up amendment No. 1211 by Ms. LANDRIEU, and I ask that it be withdrawn.

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

The amendment (No. 1211) was withdrawn.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. CAMPBELL. Mr. President, as in executive session, I ask unanimous consent immediately following the vote in relation to the Kyl-Hutchison amendment on the Treasury-Postal appropriations bill, the Senate immediately proceed to a vote on the confirmation of the nomination of Lawrence Summers to be Secretary of the Treasury, Executive Calendar No. 95.

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

Mr. CAMPBELL. I now ask unanimous consent it be in order to ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1214

(Purpose: To provide for the inclusion of alcohol abuse by minors in the national anti-drug media campaign for youth)

Mr. LAUTENBERG. Mr. President, I call up amendment No. 1214, which has been sent to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself, and Mrs. HUTCHISON, Mr. BYRD, Mr. HOLLINGS, Mr. HARKIN, and Mr. JOHNSON, proposes an amendment numbered 1214.

Mr. LAUTENBERG. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. INCLUSION OF ALCOHOL ABUSE BY MINORS IN NATIONAL ANTI-DRUG MEDIA CAMPAIGN.

(a) IN GENERAL.—The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) is amended—

(1) in section 101(h) of division A (the Treasury Department Appropriations Act, 1999), in title III under the heading ''FEDERAL DRUG CONTROL PROGRAMS—SPECIAL FORFEITURE FUND (INCLUDING TRANSFER OF FUNDS)'', by inserting ''(including the use of alcohol by individuals who have not attained 21 years of age)'' after ''drug use among young Americans'';

(b) OFFICE OF NATIONAL DRUG CONTROL POLICY REAUTHORIZATION ACT OF 1998.—Section 704(b) of the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(1) in paragraph (14), by striking ''and'' after the semicolon;

(2) in paragraph (15), by striking the period and inserting ''; and'', and by adding at the end the following:

''(16) shall conduct a national media campaign in accordance with the Drug-Free Media Campaign Act of 1998 (including with respect to the use of alcohol by individuals who have not attained 21 years of age).''.

(c) DRUG-FREE MEDIA CAMPAIGN ACT OF 1998.—The Drug-Free Media Campaign Act of 1998 (subtitle A of title I of division D of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(1) in section 102(a), by inserting before the period the following: '', and use of alcohol by individuals in the United States who have not attained 21 years of age''; and

(2) in section 103(a)(1)(H), by inserting after ''antidrug messages'' the following: ''and messages discouraging underage alcohol consumption,''.

Mr. LAUTENBERG. This amendment is being offered on behalf of myself, Senator BYRD, Senator HUTCHISON, Senator HOLLINGS, Senator JOHNSON, and Senator HARKIN. This amendment would require the drug czar's office to include messages in his current media campaign to discourage children from

engaging in underage alcohol consumption.

Running ads on national TV espousing the evil of drug use without even mentioning alcohol sends the wrong message to America's children. It is the equivalent of telling kids, ''Say 'no' to drugs, but this Bud's for you.''

The fact is, consuming alcohol is illegal in all 50 States if you are under the age of 21. Among America's youth, underage alcohol consumption is just as big of a problem as drug use.

The facts are revealing. For those who are not aware of the danger, alcohol kills six times more children ages 12–20 than all other illegal drugs combined. It was a surprise to me, and I suspect it is a surprise to millions of other Americans.

Underage alcohol consumption and its devastating effects on children paint a daunting picture. According to the Department of Health and Human Services, the average age at which children start drinking is 13. Even worse, the research shows that children who drink at the age of 13 have a 47-percent chance of becoming alcohol-dependent; if they wait until they are 21 to begin drinking, they have only a 10-percent chance of becoming dependent.

In all, there are nearly 4 million young people in this country who suffer from alcohol dependence. They account for one-fifth of all alcohol-dependent Americans.

The bottom line is that we dare not turn a blind eye when an opportunity comes along to address this problem. The drug czar's media campaign is that opportunity.

Drug czar Gen. Barry McCaffrey has said:

> [T]he most dangerous drug in America today is still alcohol.

Gen. McCaffrey has also said:

> [Alcohol is] the biggest drug abuse problem for adolescents, and it's linked to the use of other, illegal drugs.

Statistics support what General McCaffrey has been saying. According to the Center on Addiction and Substance Abuse at Columbia University, young people who drink alcohol are 7.5 times more likely to use any illegal drug and 50 times more likely to use cocaine than young people who never drink alcohol. In other words, alcohol is a gateway drug. Too often it leads to the use of marijuana, cocaine, and heroin by children. Since that is true, including ads addressing underage alcohol consumption in the media campaign would benefit the campaign and increase its overall effectiveness.

In advocating for this amendment, our voices are not alone. Surgeon General David Satcher recently wrote a letter to General McCaffrey:

> I want to recommend that you include advertisements addressing underage drinking in the paid portion of ONDCP's media campaign.

Surgeon General Satcher also stated:

> It is time to more effectively address the drug that children and teens tell us is their greatest concern and the drug we know is most likely to result in their injury or death.

In addition to support from the Surgeon General, we have bipartisan support in the House. This same amendment was already added to the House version of the Treasury-Postal appropriations bill by Congresswoman ROYBAL-ALLARD from California and Congressman WOLF from Virginia.

Editorials have also been written across this country supporting our position. Editorials have appeared in the Washington Post, the New York Times, Christian Science Monitor, and the Los Angeles Times, among other newspapers.

This effort on behalf of our children is further supported by more than 80 organizations, including Mothers Against Drunk Driving, the American Medical Association, the American Academy of Pediatrics, the American Public Health Association, the Center for Science in the Public Interest, and the Crime Prevention Council.

The Senate has not been silent on the issue of underage drinking in the past, and we should not stand mute now. We have made clear on at least three occasions that it is the law of the land to prohibit the use of alcohol by those under the age of 21.

I am proud to have been the author of the 1984 law that made 21 the drinking age in all 50 States. As a matter of fact, I had an argument with a couple of my children who were less than 21 at the time. We had a long discussion. They said it might cut into their fun, their proms.

But I looked at the statistics and saw how many lives we could save. In the almost 16 years that law has been on the books, we have saved 15,000 kids from dying on the highways.

Later, in 1995, Senator BYRD led the charge on ''zero tolerance'' for underage alcohol consumption by writing the law that says if you are under 21, a .02 blood-alcohol level is legally drunk.

Our amendment is not prescriptive. It would not tell the drug czar which types of alcohol ads or precisely how many alcohol ads would be run. But it would require the drug czar to include the underage alcohol consumption message in its media campaign. And it would give General McCaffrey the authority to do so, authority he has claimed he currently lacks.

We want to send a strong message to America's youth that neither underage alcohol consumption nor drug use is acceptable. We do not want to say there is a preference of one over the other. We do not want to do that by being silent on alcohol.

Mr. President, the only successful path to winning the war on drugs is the one paved by preventing underage drinking. If we cannot muster the political will to tell our children that underage drinking is wrong, we will never win the war on drugs.

We must not accept underage drinking as a so-called rite of passage because it is a passage directly to illegal drugs such as marijuana, cocaine, and heroin; and it is a passage to a life of alcohol dependency.

What we have heard from colleagues who are not supporting us is that drugs are illegal. But so is drinking under the age of 21.

Tobacco is a legal product, but we have worked hard to try to stop young people from starting to smoke because we know eventually it often leads to respiratory failure, lung cancer, and other diseases, as well as premature death.

So I hope our colleagues will support this amendment. It is time to make young people aware of the facts. Underage drinking is not acceptable. It leads to addiction, and nothing is more painful to a parent than to see an addicted child.

We ought not to be deterred by any arguments that suggest that adding alcohol to the media campaign might detract from the message about drugs. What is the difference? Addiction is addiction is addiction. We do not want to lose our kids. We do not want them to lose control, and we do not want them to lose their lives.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CAMPBELL. Mr. President, before I speak to the Lautenberg amendment, I ask unanimous consent to correct the RECORD. On several occasions in earlier debate I referred to the Kyl amendment No. 1195 as the Kyl amendment. I ask unanimous consent to correct that title to the Kyl-Hutchison amendment.

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

Mr. CAMPBELL. Mr. President, I appreciate the comments of my friend from New Jersey. I came from an alcoholic family. Believe me, I know firsthand the devastating effects of what it does in a family. I have had over a dozen relatives, uncles, cousins and so on, including a sister, who have died from some form of alcohol-related abuse. I know the devastating effects on a whole community; on society as a whole. I know the cost and I do not think anybody detests it more than I do.

As my colleague, Senator DORGAN, knows, coming from a State in which there are many Indian reservations, fetal alcohol syndrome, which is an effect on children from mothers drinking too much, is literally hundreds of times worse on those reservations. On one reservation in America, 1 out of 4 children is born with some degree of fetal alcohol syndrome as opposed to the national average of 1 out of 500.

I am concerned, but the question for this body is not whether we want to reduce the use of alcohol by youngsters. Of course all of us want to do that. The question here is whether the ONDCP is the right vehicle or not. My view is it is the wrong vehicle.

I have been the chairman of this committee since the inception of this media campaign, when Senator KOHL was the ranking minority, and this project is something the committee originally had a great deal of difficulty in doing, because we wanted to make sure we got the best use of taxpayers' money when we set this up. I believe this amendment would simply dilute that mission. The committee did not provide as much as we would want this year. In fact, we are putting in $50 million less this year than we did for the ONDCP last year. I believe the inclusion of an anti-alcohol campaign would simply decrease the funds available for the antidrug campaign more than we want to. The House, in my opinion, made a mistake when they pursued this action.

I also tell you we are, in my view, increasing the jurisdiction of the Office of National Drug Control Policy without legislative authority to do so. This is the wrong vehicle, as I mentioned, and I am seriously concerned that the precedent it would set would cause us a great deal of controversy, maybe open a Pandora's box of other amendments to broaden the ONDCP into areas it should not be.

This amendment expands ONDCP's jurisdiction into alcohol prevention. As I mentioned, they do not have a statutory mandate to do that. There are other agencies, such as the Center of Substance Abuse Prevention, that are better equipped to handle this kind of campaign. When we originally put the money into this campaign a few years ago, we wanted to make sure we could measure the effects. So there was a GAO study authorized, a 5-year study to review the media campaign and give the results to our committee about the ongoing effects, to see if we, in fact, were reducing the use of alcohol consumption by youngsters as a result of the campaign.

That study is only halfway through. It still has several years to go. I think if we dilute this message, if we start expanding the role, we are simply going to completely throw out the validity of that study the GAO is doing.

So, although I do appreciate the efforts of the Senator from New Jersey, and I look forward to working with him on other ways we can reduce alcohol use by youngsters, I, at this time, oppose the amendment. I will move to table after my colleague speaks.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I yield myself such time as I require to respond to my friend from Colorado.

He talks, as he said, with experience, having seen alcohol addiction and the devastation it inflicts. But I want to respond specifically to the question the Senator from Colorado raises about dilution of message. We think that when a campaign is directed toward young people and it says ''Say no to drugs,'' the omission of alcohol sends the wrong message. That's like saying, ''Drugs are bad for you, but alcohol is not so bad.''

So when we look at the statistics, and we see alcohol kills six times as many young people ages 12 to 20 than all of the illegal drugs combined, that tells us that the media campaign cannot deliver a thorough message unless it includes alcohol. Without including alcohol, the media campaign is a mere wink at underage drinking.

The drug czar is going to have $1 billion, we hope, over the next 5 years to deliver a message. Mr. President, $1 billion is a lot of money. So if the media campaign says ''Say no to drugs,'' and it also says ''Say no to alcohol,'' I see nothing wrong with that. And if there are ads portraying the horrific things that illegal drugs can do to kids, there should be ads portraying the same horrific things that alcohol can do to kids.

With the budget surpluses we have, we will keep on looking for additional funding for this campaign. One of the things that touches everybody in this Chamber, regardless of party, is interest in children, interest in protecting them from violence, interest in protecting them from disease, and interest in protecting them from addiction. So I think it is quite appropriate we combine the message on addiction to include all of the products that would be addictive, including alcohol.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. I yield to the Senator from West Virginia 15 minutes.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the very distinguished Senator from New Jersey, Mr. LAUTENBERG. I compliment him on the battle he has been waging, and successfully, might I add. I am sorry he has elected not to return to this body. I wish he would change his mind on that score.

Let me just say at this point, I am pleased to join Senator LAUTENBERG in offering this amendment to the fiscal year 2000 Treasury and general government appropriations bill. The amendment would require that the Office of National Drug Control Policy's Antidrug Youth Media Campaign include ads regarding illegal underage drinking. It is absurd to me that our federally funded media campaign fails to include the No. 1 drug choice amongst children; namely, alcohol. I do not know how that could escape anyone's attention. I cannot understand why that is not included.

Large numbers of young people are drinking. According to the 1997 Monitoring the Future Study conducted by the University of Michigan, approximately 34 percent of high school seniors, 22 percent of tenth graders, and 8 percent of eighth graders, report being drunk at least once in a given month.

Yes, Mr. President, drunk. I know that is a shocking statistic. It is also one that we should not tolerate. Alcohol is a gateway drug. Young people who consume alcohol are more likely to use other drugs.

Statistics compiled by the National Center on Addiction and Substance Abuse at Columbia University show that 37.5 percent of young people who have consumed alcohol have used some illicit drug versus only 5 percent of young people who have never consumed alcohol.

Early alcohol use results in alcohol problems in life. A report by the National Institute on Alcohol Abuse and Alcoholism indicates that when young people begin drinking before the age of 15, they are four times more likely to develop alcohol dependence than when drinking begins at age 21.

I noted in I believe it was either Roll Call or the Hill earlier this week there was a story about interns who are visiting the ''watering holes''—visiting the watering holes. We all know what that means. These are not watering holes. These are places where these young interns are going to drink some form of alcohol, and many of them will end up getting drunk.

Most tragically, alcohol kills. It is deadly. Deadly! It takes the lives of more children than all other drugs put together. Yet, for some reason, this particularly lethal drug is left out of the media campaign. This administration has been leading a great campaign, a great crusade against tobacco, against smoking, and that is all right. That is well and good. But why doesn't the administration put its stamp on a crusade, on a great campaign against alcohol for youngsters? Why doesn't the administration lead in that crusade?

Let me repeat a story I have told many times. Russell Conwell, one of the great chautauqua speakers, told the story ''Acres of Diamonds'' 5,000 times. I have not told this story 5,000 times, but I have told it a number of times.

In 1951, when I was a member of the West Virginia Senate, I asked the warden of the State penitentiary in Moundsville to let me be a witness to the scheduled execution of a young man by the name of James Hewlett.

Under the laws of West Virginia at that time, a certain number of witnesses were required to be at an execution. The warden acceded to my request.

Why did I want to witness an execution? I often have the opportunity to

speak to young people. I often speak to these pages who are sitting right now on both sides of the aisle looking at me. I speak with them out in the halls. I try to tell them wholesome stories from Tolstoy or from other great authors. I try to give them good stories. I try to teach them good lessons so they will leave here having heard someone—and I am sure there are other Senators who do the same thing—talk with them about values.

It was for that reason that I wanted to see this execution. I often speak to young people in 4–H groups, Boy Scout groups, Girl Scout groups, and other groups, and I wanted to be able to tell them something that would help them in later life.

I went down and talked with the man who was to be executed. He had hired a cab driver to take him from Huntington, WV, over to Logan. On the way, he pulled a revolver and shot the cab driver in the back, robbed him, dumped him by the side of the road, and left him there to die.

Later, Jim Hewlett was apprehended in a theater in Montgomery. He was brought to trial, convicted, and sentenced to die in the electric chair.

He was asked if he would like a chaplain in his cell. He scoffed at the idea of having a chaplain in his cell. He did not want any part of it. But when the Governor declined to commute his sentence, then the young man became serious about a chaplain. He wanted a chaplain in his cell.

On this occasion, the warden permitted me to go down to the cell of the young man, and I talked with him. I told him I had the opportunity to talk with young people on many occasions, and I asked if he had something that he could tell me that would help these young people, some advice that I could pass on to them that might assist them in avoiding trouble in later life.

Jim Hewlett said yes. He said: ''Tell them to go to Sunday school and church.'' He said: ''If I had gone to Sunday school and church, I wouldn't be here tonight.''

Our conversation was very short. The hour of 9 was rapidly approaching, and he was to step into the electric chair at 9 o'clock. As I started to go, after thanking him, he said, ''Wait a minute. Tell them one more thing. Tell them not to drink the stuff that I drank.'' Those are his exact words. I have spoken them hundreds of times: ''Tell them not to drink the stuff that I drank.''

I said: ''What do you mean by that?''

The chaplain spoke up and said: ''Senator''—I was a State senator at that time—''Senator, you see that little crack on the wall up there? If he were to have a couple of drinks, he would try to go through that crack in the wall. That is what it does to him. He was drinking when he shot the cab driver.''

I went back to the warden's office.

The rest of the story, of course, is obvious. The young man was executed, and I have been passing these words of Jim Hewlett from Fayette County, WV, on to young people during these almost 50 years since: ''Tell them not to drink the stuff that I drank.''

Why do we have to tippy-toe around it? Why does the administration have to tippy-toe around it? Why do the people in the administration who have responsibilities along this line have to tippy-toe around it? Alcohol kills! Not only does it sometimes kill the person who imbibes but it also kills others—wives, children, old people who are trying to go to the grocery store or to a child-care center. These are people who are innocent. They are not doing the drinking. But the person who drank and then got behind the wheel, that person has killed others.

Every year at commencement time, when high schools are holding their commencements all over the country, we read stories in the newspapers. They are the same year after year: a group of youngsters, having just graduated, have a big party, and they get drunk and they crash their automobile that is going at a speed of 100 miles per hour into a tree. The automobile wraps itself around the tree and there are the mangled, bleeding, dead bodies in the twisted wreckage. And in the car is also found some alcohol.

It is time this country awakens. It is time the churches of this country awaken and tell our young people: Don't do it.

When I give a Christmas message, I do not say: Don't drink and drive. I simply say: Don't drink. I am not expecting everybody to feel as I do or to do as I do, but at least we ought to do what we can to educate the young people of this country as to the evils, the dangers, and the sorrows that will come from the use of alcohol—alcohol.

There are some young people right now listening to me on the television somewhere who have heard me pass along the advice of the condemned man, Jim Hewlett: ''Tell them not to drink the stuff that I drank.'' I hope those young people will listen. I hope they will take it to heart and not drink alcohol.

This amendment is a commonsense amendment—a commonsense amendment—to address the staggering statistics regarding youth alcohol use. We need to send a strong message to the nation's youth that drinking has serious consequences, and all too often they are deadly consequences.

I thank Mr. LAUTENBERG for his statesmanship, for his courage, and for his common sense. I appreciate very much his allowing me to cosponsor this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, on our time, I thank the Senator from West Virginia. He shows an interest in this subject that calls up our knowledge of experience with alcohol that none of us should ever have—the loss of a family member.

When you see the devastation of alcohol, you do not understand why it is a different class addiction than that which is drugs. It is easier to get into. It is less stigmatic. People do not say: Oh, look, he's an alcoholic.

A friend of mine has a granddaughter, 14 years old—14 years old—who started sniffing glue, drank alcohol. Now it is drugs. She is in an institution. It is the most heartbreaking thing one can imagine.

Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 15 minutes 34 seconds.

Mr. LAUTENBERG. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I will use time allocated by Senator CAMPBELL.

Mr. President, it is a rare occasion when I rise to oppose an amendment on alcohol offered by my colleague from New Jersey. I just heard the moving comments by the Senator from West Virginia. On almost every other occasion on the Senate floor, I have supported their initiatives. The .08 national standard on drunk driving, I have supported it. You name it, I have supported it.

My mother was killed by a drunk driver. I have been in an accident caused by a drunk driver in which the car I was driving was totaled.

Senator BYRD described graduation parties. My cousin's son Jesse was at a graduation party one night—the night before he was to graduate from high school—a wonderful young boy, great golfer, slight of build, a handsome young man—and at midnight got in the wrong car, a car driven by a young man who had had too much to drink. They drove across a railroad track and were hit by a train, and that young boy lost his life.

I know about the scourges of alcohol. I know about drunk driving. I know about the disease of alcoholism. I also know about the issue of illegal drugs in this country and want to tell a story about that, if I might.

I visited Oak Hill Detention Center recently, within the last matter of weeks. Oak Hill Detention Center is not too far from this building. It is a half-hour drive. It houses some of the toughest young criminals who have committed crimes on the streets of the District of Columbia. These are kids, in many cases tough, hardened criminals but still kids.

I met a young man who at age 12 was dealing drugs and was addicted to hard

drugs on the streets of the District of Columbia. He was shot a number of times, picked up, and convicted of armed robbery. At age 12, he was selling and addicted to hard drugs.

Across the table from him sat another young man who, at age 12, was also dealing drugs and convicted of armed robbery. Across the table was a young girl who, at age 13, was on hard drugs and selling drugs and had a baby—all in the first year of her teenage life.

The security fellow in one of the areas of the Oak Hill Detention Center said to me—and I could tell he liked these kids; he cared about these kids; he knew them, knew them well—said: You know, these are tough kids. These are kids who have done wrong, in most cases have had a tough life, but they are still kids. He said: What I regret most about this job is going to their funerals. There are too many funerals. After they serve their time at the Oak Hill Detention Center and they are back on the streets—too often relapsing back on hard drugs—I go to their funerals.

The common element to the discussions I had at that Oak Hill Youth Detention Center was hard drugs—addicted to drugs at a very young age and then followed a life of crime, and in most cases violent crime as well.

This country has a problem with drugs. One approach to addressing this problem was recommended by the administration and some in Congress to say: We know that television has an influence on people's lives. Television advertising, hundreds of billions of dollars of television advertising has an influence on what people buy, what they wear, how they look, and what they sing. If it has that kind of influence, can we use television in a way that can influence people with respect to drugs and how they view drugs?

So the proposal was to put together a $1 billion program over 5 years to do intensive drug education television advertising. I support that.

This year, this subcommittee cut the funding for that by $50 million. In other words, there will be $50 million less than was requested for it and $50 million less than was spent last year on this program.

This program ought to be allowed to work so we can determine with what effectiveness we can change people's vision and view about drugs, especially young people. We are in the third year. We need to allow this to work.

Cutting this program by $50 million was the last thing we wanted to do, but the budget allocations would not allow us to fully fund it.

Now we are told by our colleagues, we want to add other things to it. I will support in an instant a proposal brought to the floor of the Senate that says let us do something of exactly the same scale on alcohol. I will support that in an instant. A $1 billion program over 5 years to educate young people about alcohol, we ought to do that. But I don't think, having cut this program by $50 million this year—understanding that when you talk to young people anyplace in this country who have been involved in violent crime, you will find out that the origin of that and the genesis of much of that behavior comes from addiction to drugs—now is the time to both cut this program by $50 million, which is what has happened in this subcommittee, and then also add other responsibilities to that program.

I indicated that my family was visited by the horror of the phone call late at night saying that my mother had been killed. Others in my family have been victims of drunk driving accidents. I understand all that. But the subject here is about drugs.

I have spoken on the floor about six times of a person I am going to speak about just briefly again, Leo Gonzales Wright. A young attorney with, I am sure, great hope and stars in her eyes moves to Washington, DC, to practice environmental law. In her early twenties, her name was Bettina Pruckmayr. Bettina Pruckmayr ended her life in this town with the kind of horror that is not visited upon many. She stopped at an ATM machine, was abducted by a man named Leo Gonzales Wright, and stabbed over 30 times by this violent felon.

Who was Leo Gonzales Wright? A man addicted to drugs, a man high on drugs, a man who had been convicted of murder before, let out of prison on patrol, tested positive for drugs but not put back in prison.

What do drugs mean? What do drugs do? It means that people on our streets, who are addicted to drugs and are willing to commit violent acts, murder innocent people like young Bettina Pruckmayr.

The origin of this is the problem of drugs. It is a very significant problem. The attempt was to decide whether we could alter behavior, educate young children with $1 billion in a 5-year program of advertising dealing with drugs. I happen to think that makes sense. We have tried a lot of different things. It makes sense to try this.

Does it make sense to do a lot more on alcohol? Absolutely. I am willing to support that and do that. I don't think, however, it ought to be used to dilute this effort. This effort is an effort that is in its third year. We have already had to dilute it by reducing funding $50 million.

I say to my colleague, with whom I voted on every occasion on this issue, let us find another way to fund this program and I will be with you. I understand the scourge of alcohol and alcohol addiction, the carnage it causes on American roads, and the devastation it causes to American families. I also think those who spoke about that with such gripping emotion today probably could tell us stories that they understand the carnage caused by drug addiction in this country to hard drugs and the number of families whose hearts ache tonight because their loved one was killed by someone high on drugs, addicted to drugs for a number of years in a circumstance where perhaps, had we done things differently, had we done things better, had we had more influence on those lives, we might have avoided having that person addicted to drugs and, therefore, committed to a life of crime.

That is what this effort is about. It is what General McCaffrey and the Office of Drug Control Policy, it is what we are trying to do in a 5-year period. I think we ought to continue to do that.

One final point: One of my regrets, standing as I am today, is a woman named Karolyn Nunnallee, whom I consider a good friend. She is the national president of the Mothers Against Drunk Driving. She and her organization very strongly support the Lautenberg amendment. I almost never have disagreed with Mothers Against Drug Driving. I think they have done more in this country than most any other organization I know to influence and alter behavior dealing with the issue of drunk driving. I regret very much not supporting them on this issue.

For reasons I have already stated, I think we ought to stay the course on this question of drug addiction and education dealing with drug addiction among America's youth. At the same time, I want to join in and support in any way possible the efforts of Senator LAUTENBERG and Senator BYRD and others to add money to transportation bills on drunk driving issues, to add money to health bills on drunk driving. I will support a billion-dollar program in 5 years. Sign me up. But don't dilute this program. Let us let this program work to see, at the end of 5 years, whether we have altered the behavior and substantially changed the determination by some young people in this country to understand more about drugs.

Mr. President, I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. How much time remains?

The PRESIDING OFFICER. The Senator from Colorado has 30 minutes, 25 seconds; the Senator from New Jersey has 15 minutes 20 seconds.

Mr. CAMPBELL. I yield 10 minutes to the Senator from Kentucky and 10 minutes to Senator MCCONNELL.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BUNNING. Mr. President, I rise in opposition to the Lautenburg amendment.

We all want to do what we can to fight underage drinking. At first glance

this amendment might look like a good idea. Putting the office of national drug control policy and the drug czar on the case sounds like we are really taking action in the fight against underage drinking.

I believe that this amendment would actually hurt both the fight against underage drinking as well as our Nation's struggle with illegal drugs.

First of all, we're not even sure if the drug czar, General McCaffrey, really wants this amendment. We are hearing rumblings that the administration is against it, but no one seems to know for sure. Until we know, it doesn't make sense to pass the amendment.

If General McCaffrey, the man the President has asked to lead the charge in our anti-drug efforts, isn't sure about it, I think we need to be very careful.

In addition, we know that the bipartisan coalition for a drug-free America—headed up by Bill Bennett and Mario Cuomo—the group that coordinates efforts with the drug czar and produces most of the Government's antidrug ads, does not support this amendment.

Bill Bennett and Mario Cuomo don't agree on much, and when they do we should take notice and listen.

Second, passing the amendment and adding underage drinking to the problems the drug czar has to tackle will just distract him from his principal focus—as Senator DORGAN said—the war on illegal drugs.

As Senator DORGAN, the ranking member on the subcommittee, pointed out last night, the drug czar's resources are already stretched to the limit.

Adding underage drinking to the drug czar's portfolio would only stretch his resources even further, and force him to take on another tough fight. I don't think that's what we want.

In fact, we know the Federal Government is already spending hundreds of millions of dollars through the various agencies to fight underage drinking, and the evidence shows we are making progress.

Over the past 10 years, the Substance Abuse and Mental Health Administration reports that excessive drinking by underage kids has dropped significantly.

The Centers for Disease Control agrees. They report that underage drinking has dropped by more than 50 percent over the past two decades. A study by the National Institute on Drug Abuse on drinking among high school students reports similar progress.

Unfortunately, the evidence from the war on drugs is not as good. Over the past 5 years, the Department of Health and Human Services reports that illegal drug use has increased for high school kids.

We are turning the tide against underage drinking. What now is the compelling reason to involve the drug czar's office? He already has his hands full with the war on illegal drugs.

As I said earlier, it's an idea that sounds good at first, but I don't think anyone has laid out a compelling justification for it.

Mr. President, I applaud Senator LAUTENBERG for his fight against underage drinking. It is a fight, as is the war on illegal drugs, that we have to win. But I think he has taken the wrong approach on this amendment. It sounds like a solution in search of a problem. Let's keep fighting underage drinking with the tools we now have in place. They are working. I urge my colleagues to vote against the Lautenberg amendment.

I yield back my time.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. MCCONNELL. Mr. President, others have said it probably better than I can, but what is really at stake is whether we are going to dramatically diminish, if not gut, the war on drugs.

The junior Senator from Kentucky has outlined the progress made on the teenage drinking front in the last 20 years, and it is, indeed, significant. No one argues with any of the observations that have been made by Senator BYRD and Senator LAUTENBERG, and others, about the devastating nature of the problem of teenage drinking, although it is encouraging that progress is being made.

The industry itself advertises against underage drinking extensively. The alcohol industry has spent $100 million over the last 8 years, and the beer industry has spent $250 million over the last 10 years, for a total of $350 million, in their own financed effort to get at the problem of teenage drinking, which is a horrendous problem. But as Senator BUNNING has pointed out, it is a problem upon which we have made significant progress.

What is before us today with the Lautenberg amendment is whether we are going to gut the war on drugs. Regretfully, since President Clinton came to office, teenage drug use in this country has gone up 46 percent. We are going backwards in the war on drugs. While it may be an unintended consequence of what Senator LAUTENBERG is seeking to achieve today, the practical effect of this amendment is to gut the advertising campaign designed to go after teenage drug use, as Senator DORGAN has pointed out.

Let's have no misunderstandings; nobody is in favor of teenage drinking. Nobody thinks that we should not do more about this problem. However, the issue before us is: Are we going to gut the advertising effort in the war on drugs?

The National Youth Antidrug Media campaign is underway. This amendment, according to drug czar Barry McCaffrey, would undermine that. The Partnership for a Drug Free America, which is the nonprofit group that works with General McCaffrey to run this antidrug campaign, opposes this amendment.

General McCaffrey said just 3 weeks ago that proposals such as this amendment ''could dilute the focus of the successful media campaign advertising effort to change attitudes of youth and parents toward illegal drug use.'' He also said, ''An anti-underage drinking message to youth is largely a separate and distinct message from the antidrug message, requiring a significantly different strategic approach based on scientific and behavioral knowledge.''

So what we are doing is mixing up apples and oranges. A campaign, designed, properly researched, and underway, to deal with youth drug abuse would be diverted in an entirely different direction by the Lautenberg amendment.

Others have referred to the letters from Mario Cuomo, Bill Bennett, and Jim Burke, the cochairs of the Partnership for a Drug-Free America. They oppose the Lautenberg amendment. Obviously, it is not because they are in favor of teenage drinking, but they don't want to gut the effort to have an effective antidrug campaign among America's young people.

Chairman Burke, of the Partnership for a Drug-free America, said: ''We don't believe . . . an effective campaign targeting underage drinking can be carved out of the current appropriation for the National Youth Antidrug Media Campaign.

He went on:

> I can tell you that forcing the campaign to address underage drinking (something it was not originally designed to do) will seriously jeopardize the success of this effort.

He is referring to their effort to deal with teenage drug use, which, remember, is going up while teenage drinking is going down.

Cochairman Mario Cuomo, former Governor of New York, said this amendment ''threatens the success of one media campaign by creating another that simply cannot and will not work given the current limitations.''

Governor Cuomo also said that ''this type of program will require hundreds of millions more dollars—if not billions—to be effective.''

Governor Cuomo's cochairman, Bill Bennett, said:

> Advocates are wrong to suggest that this enormous problem of teenage drinking can be addressed effectively within the current appropriation for the antidrug campaign. We read this amendment as the beginning of the end of the antidrug campaign.

Mr. President, we don't need to end the antidrug campaign. Drug use is going up; drug use among high school seniors has gone up 46 percent since 1992. It needs to be addressed. That is

what this appropriation is for. Certainly, a program to address underage drinking, which all three of the men I have just quoted would tell us, would have to be of a tremendous size. That is an activity Congress would need to analyze carefully before embarking on.

I know that there are probably many Senators who are thinking that if they oppose the Lautenberg amendment, it is going to be very difficult to explain in a campaign contest. Let me say this. What would be even more difficult to explain, it seems to me, is a vote that would gut the effort to combat drug use in this country—teenage drug use in particular—which is on the increase. That is what this appropriation is designed to try to impact.

So if we are going to address teenage drinking, let's not do it at the expense of the war on drugs. The war on drugs has not been very effectively fought in the last few years. I am not here to cast any particular aspersions against anybody for that, but it is a cold, hard reality that teenage drug use has gone up 46 percent since 1992 in this country. It was previously tracking down. We need to get back on track and address this youth drug use. That is what the original appropriation was designed to do.

I hope we will resist the temptation to gut the war on drugs so that we can pursue it effectively. As evidence, we have the testimony of Jim Burke, Mario Cuomo, and Bill Bennett.

I ask that the record include copies of a letter from Bill Bennett of the Partnership for a Drug-Free America, opposing the Lautenberg amendment; a letter from Mario Cuomo of the Partnership for a Drug-Free America, opposing the Lautenberg amendment; and a statement of Richard D. Bonnette, President and CEO of the Partnership for a Drug-Free America, opposing the amendment, along with a press release from the Office of National Drug Control Policy.

I ask unanimous consent that those be printed in the RECORD.

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

PARTNERSHIP FOR A
DRUG-FREE AMERICA,
Washington, DC, June 24, 1999.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: An amendment has been introduced in the House of Representatives that threatens the success of the National Youth Anti-Drug Media Campaign, currently being coordinated by the Office of National Drug-Control Policy and the Partnership for a Drug-Free America. This amendment, now part of the Treasury & General Government Appropriations Bill, mandates the inclusion of alcohol-related messages in the National Youth Anti-Drug Media Campaign. As former Director of ONCDP in the Bush administration and as co-chairman of the Partnership, I write to urge you to oppose any similar provision that may be offered in your Appropriations Committee markup of the Treasury and General Government Appropriations Bill.

Representative Royal-Allard and Representative Wolf, who introduced this amendment in the House are correct in their convictions about underage drinking. But advocates are wrong to suggest that this enormous problem can be addressed effectively within the current appropriation for the anti-drug campaign. Advocates of the amendment say it is simply designed to give Gen. McCaffrey statutory jurisdiction to address alcohol within the context of this campaign. We read this amendment as the beginning of the end of the anti-drug campaign.

If you wish to combat underage drinking, I urge you to support the development of a mass media campaign specifically targeting this issue through a separate appropriation. The marketing experts who comprise the Partnership believe it will take hundreds of millions of dollars to conduct a campaign designed to dissuade teenagers from drinking. The Partnership offers its assistance in this pursuit. But many things need to fall into place first—research, market-testing, and hundreds of millions in funding to do this correctly.

Should a version of the Roybal-Allard/Wolf amendment surface in the Senate, please help us keep the National Youth Anti-Drug Media Campaign on track and focused. Please oppose any effort to require this campaign to do more than it was originally designed to do. As you may know, the Partnership receives no part of the federal money dedicated to the anti-drug campaign. The Partnership donates all its advertising to this federally-backed effort for free.

Sincerely,

WILLIAM J. BENNETT.

PARTNERSHIP FOR A
DRUG-FREE AMERICA,
New York, NY, June 23, 1999.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: An amendment has been introduced in the House of Representatives that threatens the success of the National Youth Anti-Drug Media Campaign, currently being coordinated by the Office of National Drug-Control Policy and the Partnership for a Drug-Free America. This amendment, now part of the Treasury & General Government Appropriations Bill, mandates the inclusion of alcohol-related messages in the National Youth Anti-Drug Media Campaign.

If Congress wishes to support developing a national advertising campaign targeting underage drinking, we stand ready to support you be offering the assistance of our entire organization. We do not believe, however, an effective campaign targeting underage drinking can be carved out of the current appropriation for the National Youth Anti-Drug Media Campaign.

As the former chairman and CEO of Johnson & Johnson and someone who has spent his entire career in marketing, I can tell you that forcing the campaign to address underage drinking (something that it was not originally designed to do) will seriously jeopardize the success of this effort. To undertake such an effort, extensive consumer-based research would be needed to determine effective advertising strategies. No such research exists. Additionally, to really change attitudes about alcohol, this type of effort would have to compete head-to-head with the billions spent to market alcohol products and, therefore, require significantly more funding.

Shaving money out of the National Youth Anti-Drug Media Campaign will not accomplish this. We do not question the rightness of addressing underage drinking. Our concerns focus on what we can and cannot accomplish with the current appropriation. We question the wisdom of seriously risking—and perhaps killing—the effectiveness of one media campaign to create another that simply cannot and will not work, given current limitations. Should a similar amendment be proposed in the Senate, I respectfully ask you to keep the anti-drug campaign focused on what it was designed to target: illegal, illicit drugs.

Sincerely,

JAMES E. BURKE.

PARTNERSHIP FOR A
DRUG-FREE AMERICA,
New York, NY, June 23, 1999.

Hon. MITCH MCCONNELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCONNELL: As you may know, the Partnership for a Drug-Free America—a non-profit coalition of professionals from the communications industry—has for the past 12 years demonstrated a remarkable expertise in the production of anti-drug advertising and the execution of a national anti-drug media campaign. The Partnership is currently donating all of its advertising to the National Youth Anti-Drug Media Campaign, being coordinated by the Office of National Drug Control Policy. The Partnership also provides ongoing strategic advice to the campaign, and receives no federal funds as part of this program.

The House Appropriations Committee will soon mark up its Treasury & General Government Appropriations Bill. An amendment has been added to this bill authorizing the inclusion of alcohol-related messages in the anti-drug campaign. As the Partnership has demonstrated, advertising can be used to address teenage drug use. Backed by the proper research, advertising could also be used to address underage drinking. But please understand this: We cannot target both effectively within the current appropriation.

The alcohol industry spends billions each year on marketing and promotion. As it stands, $185 million is authorized to fund the anti-drug campaign. Of this less than $150 million is actually being spent on the purchase of media exposure for the campaign. If the Congress is interested in developing an effective campaign to address underage drinking, the Partnership stands ready to work with any and all concerned organizations and government agencies to see it through. But please understand that this type of program will require hundreds of millions more dollars—if not billions—to be effective.

Unless the House plans to increase funding significantly for the anti-drug campaign, the Partnership has urged members to vote to strip the Roybal-Allard/Wolf Amendment from the anti-drug media campaign appropriation. The amendment threatens the success of one media campaign by creating another that simply cannot and will not work, given current limitations. A fact sheet on the Partnership and our position on this amendment are attached for your convenience. If any similar provision is offered in your Appropriations Committee markup of the Treasury and General Government Appropriations Bill, I encourage you keep the anti-drug campaign focused by opposing any

such measure, unless significantly more funds are appropriated.

Sincerely yours,

MARIO M. CUOMO.

PARTNERSHIP FOR A DRUG-FREE AMERICA

CO-CHAIRMAN

Mr. James E. Burke, Chairman Emeritus, Johnson & Johnson, Chairman, Partnership for a Drug-Free America, 405 Lexington Avenue, 16th Floor, New York, NY 10174, 212/973–3514, 212/697–1031 (Fax).

Governor Mario M. Cuomo, Former Governor, New York, Partner, Wilkie, Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019–6099, 212/728–8260, 212/728–8111 (Fax).

Dr. William J. Bennett, Former Director, Office of National Drug Control Policy (Bush administration), Former Secretary of Education, US Department of Education (Reagan administration), Co-Director, Empower America, 1776 I Street, N.W., Suite 890, Washington, DC 20036, 202/452–8200, 202/833–0556 (fax).

STATEMENT OF RICHARD D. BONNETTE, PRESIDENT & CEO, PARTNERSHIP FOR A DRUG-FREE AMERICA ON THE ROYBAL-ALLARD/WOLF AMENDMENT

NEW YORK, June 7th—We whole-heartedly support the concept of developing a national advertising campaign targeting underage drinking. Alcohol abuse is a huge problem in America, and plays an undeniable role in substance abuse among children and teenagers. As the Partnership has demonstrated, advertising can be used to address teenage drug use. Backed by the proper research, advertising could also be used to address underage drinking. But it is simply not possible to target both effectively within the current appropriation for the National Youth Anti-Drug Media Campaign.

I base this perspective on more than 30 years in the advertising business, and 10 years of experience with the Partnership for a Drug-Free America. The Partnership is a coalition of communications professionals from advertising, marketing, public relations and related disciplines. This judgment does not question the relevance of targeting underage drinking. It questions the wisdom of seriously risking—and perhaps killing—the effectiveness of one media campaign to create another that simply cannot and will not work, given current limitations.

Our overriding concern about the Roybal-Allard/Wolf amendment is that it will reduce the overall media exposure for the anti-drug campaign. The alcohol industry spends at least $1 billion each year on marketing and promotion; the National Youth Anti-Drug Media Campaign is funded at $195 million. Of this, less than $150 million is backing the advertising campaign. Clearly, an alcohol-abuse advertising campaign would require significantly more money to compete with the marketing muscle of the alcohol industry. From a sheer marketing perspective, the chances of such a campaign having an impact within the context of the current appropriation are very, very slim.

The Partnership stands ready to support the development of a national advertising campaign on underage drinking. We have more than a decade's worth of experience in running a consumer-focused media campaign designed to change attitudes on drugs. We will help any and all groups interested in this type of campaign in every way we can. This type of campaign, however, must be done correctly.

The first step of any solid marketing effort is thorough research. We have 11 years of experience in the marketplace and 12 years of research on consumer attitudes about illegal drugs. While one could assume this model could work for alcohol abuse, extensive consumer-focused research would be needed to guide the development and execution of such a program. Currently, this type of research does not exist. The development and literature review backing the National Youth Anti-Drug Media Campaign took more than 18 months. To insert an amendment requiring alcohol abuse be addressed, without the same thorough approach taken in the development of the anti-drug media campaign, ignores the fundamental need for research.

Children and teenagers have different attitudes about different drugs—marijuana, cocaine, inhalants, methamphetamine, heroin and other illegal drugs. Kids of different ages, races and genders view these drugs differently. Attitudes about certain drugs also vary by region in the country. We have no similar consumer insights into what kids think about alcohol—beer, liquor, malt liquor, etc.—and how these attitudes may differ by alcohol brand, by age of kids, race, etc.

Marketing to reduce alcohol abuse would be more difficult than marketing against illegal drugs. Alcohol, unlike illicit drugs, is legal. While not impossible to accomplish, changing attitudes about alcohol would be very challenging, given its widespread cultural acceptance and use (responsible and otherwise) of alcohol products. Alcohol use is widely glamorized in movies, television and music. Alcohol use is deeply ingrained in our culture—ritualized and commonplace.

We respect the opinions and passion of our colleagues working to reduce alcohol abuse. We do not have any ties with the beer and/or alcohol trade organizations opposing this amendment; we do not accept funding from the alcohol and/or tobacco industries. We are concerned about this amendment solely because it could significantly diminish the impact of the anti-drug campaign.

The National Youth Anti-Drug Media Campaign is being coordinated by the Office of National Drug Control Policy in cooperation with the Partnership for a Drug-Free America (PDFA). PDFA provides advertising to the campaign pro bono and receives no federal funding for its role in this effort. The amendment seeks inclusion of anti-alcohol ads in this campaign, which is using federal funds to purchase media exposure for anti-drug advertising.

FACT SHEET

The Partnership for a Drug-Free America is a non-profit coalition of professionals from the communications industry, whose mission is to reduce demand for illegal drugs in America. Through its national anti-drug advertising campaign and other forms of media communication, the Partnership works to decrease demand for drugs by changing societal attitudes which support, tolerate, or condone drug use.

The Partnership is comprised of a small staff and hundreds of volunteers from the communications industry, who create and disseminate the Partnership's work. Advertising agencies create Partnership messages pro bono; research firms donate information services; talent unions permit their members to work for free; production professionals bring Partnership messages to life; a network of advertising professionals distribute the group's work to national and local media; public relations firms lend services to various Partnership projects; and media companies donate valuable broadcast time and print space to deliver Partnership messages to millions of Americans.

To date, more than 500 anti-drug ads have been created by our volunteers. From March 1987 through the end of 1998, the total value of broadcast time and print space donated to Partnership messages topped $3 billion, making this the largest public service media campaign in history. The Partnership receives major funding from The Robert Wood Johnson Foundation and support from more than 200 corporations and companies. PDFA accepts no funding from manufacturers of alcohol and/or tobacco products. The organization began in 1986 with seed money provided by the American Association of Advertising Agencies.

Research demonstrates that the Partnership's national advertising campaign has played a contributing role in reducing overall drug use in America. Independent studies and expert interpretation of drug trends support its effectiveness. The New York Times has described the Partnership as ''one of the most effective drug education groups in the U.S.''

Drastic changes in the media industry over the past decade have led to an overall decline in media exposure of public service advertising. This is one factor contributing to the Partnership's decision to participate in the National Youth Anti-Drug Media Campaign, coordinated by the Office of National Drug Control Policy in cooperation with PDFA. Through the leadership of Gen. Barry McCaffrey, director of the White House Office of National Drug Control Policy, and the commitment of numerous, outstanding members of Congress, a total of $380 million has been appropriated by Congress for this effort to date ($195 million in FY '98, $185 million in FY '99). The bulk of this money is being used to pay for the one thing that has eluded our campaign in recent years—consistent, optimal, national media exposure. PDFA receives no funding for its role in this campaign. The organization donates all advertising to the effort pro bono and serves as a primary strategic consultant (unpaid.)

In addition to its work on a national level, the Partnership has helped create 54 state- and city-based versions of its national advertising campaign through its State/City Alliance Program. Working with state/city governments and locally-based drug prevention organizations, the Partnership provides at no cost—the guidance, on-site technical assistance and creative materials necessary to shape a multimedia campaign tailored to the needs and activities within the state or city. Several additional alliances are targeted for launch, which will expand the program's reach to 98 percent of the U.S.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF NATIONAL DRUG CONTROL POLICY,

Washington, DC.

ASSESSMENT OF THE POTENTIAL INCLUSION OF ANTI-UNDERAGE-DRINKING ADVERTISING IN THE ONDCP CAMPAIGN

An anti-underage drinking message to youth is largely a separate and distinct message from the anti-drug message, requiring a significantly different strategic approach based on scientific and behavioral knowledge. If we were to be asked to communicate an additional anti-underage-drinking message platform with the current media budget, we would fall below effective reach and frequency levels for all message platforms, thus risking the success of the entire campaign.

An anti-underage drinking message to youth would also require separate production, and this would incur a considerable investment ($3–$4 million).

An anti-underage drinking message to adults might more easily be incorporated in a strategic message focusing on encouraging good parenting, and the important role of youth influencers, in shapping positive behavior among youth. Ideally, of course, a separate effort targeting adults would be more effective.

While incremental advertising funds would absolutely be required to successfully mount an anti-underage drinking campaign, it would not be necessary to double the overall ONDCP advertising budget if the adult efforts are combined. Since the youth campaign represents about half of the campaign, the ideal incremental budget would be approximately $100 million. This would include some funds for such needed expenditures as additional production, new behavior change expertise, and limited copy testing, tracking and evaluation. We would seek every possible efficiency between the anti-drug and anti-underage-drinking campaigns from a creative and media perspective (e.g., limiting the target to older teens).

If incremental funds are unavailable at this time, please be aware that the current campaign already includes a substantial percentage of anti-underage-drinking messages (e.g., MADD, DOT, OSAP, etc.). This proportion could be augmented, though this would obviously diminish other PSA efforts. The ''match'' airtime devoted to this advertising is every bit as good as that secured for the paid anti-drug units.

ISSUE PAPER

Inclusion of alcohol in the National Youth Anti-Drug Media Campaign

Using appropriated funds to include an alcohol or tobacco component in the paid portion of the ONDCP National Youth Anti-drug Media Campaign, within existing budgets, would significantly dilute the campaign's emphasis on illicit drugs, the primary intent of Congress and the Clinton Administration in establishing this program.

The Media Campaign already addresses alcohol in several key areas.

When ONDCP purchases time on network or local television and/or radio stations, a condition of the media buy is a dollar-for-dollar contribution to ONDCP from the media outlet in the form of public service. Most comes in the form of donated public service slots in similar time periods, which ONDCP shares with other organizations that have drug-related messages (PSAs). The Media campaign is already using underage-drinking and drunk driving public service announcements in its pro bono component. From July 1998 through January 1999 (the period for which data is available), about 15% of the television public service time given to the Media Campaign has been shared with four organizations involved with underage drinking and drunk driving (They are: National Council on Alcoholism and Drug Dependence, Mothers Against Drunk Driving (MADD), Recording Artists, Athletes and Actors Against Drunk Driving, and the Dept. of Transportation). These 20 PSAs were electronically coded and reports are generated to identify and track when and where each massage is played. Computerized tracking reports indicate these massages have played over 7,000 times on local and network television, which is conservatively valued at $8,000,000 in media time. ONDCP does not count any time donated in the middle of the night (1 a.m. to 5 a.m.) All of these PSAs were aired during appropriate time slots.

In addition, the Partnership for a Drug Free America has 53 State and local alliances 15 of which support programs that include alcohol messages as public service announcements. These messages include underaged drinking, binge drinking, prenatal alcohol use, parental modeling, and other subjects that appear on television, radio, on billboards, on posters, and in print PDFA estimates that the total value of media time donated for these messages is approximately $7,000,000.

ONDCP's media match also comes in the form of television programming. At least four national network television programs have focused on youth-alcohol related issues. For example, on May 16, the entire episode of WB's Smart Guy will concentrate on underage drinking. ONDCP's behavioral change experts have worked closely with the writers and producers of this program to ensure key message strategies were incorporated.

Much of the campaign's communications strategy to reach parents regarding youth drug are appropriate to reaching parents regarding underage drinking (knowing where your children are, who their friends are, establishing rules and values, etc.).

Substantial and costly changes in the communications strategy would be required. The existing campaign strategy was developed over an eight-month period in an expert driven process. The strategy emphasizes specific message platforms, techniques, and activities to address illicit drugs. Adding alcohol to the strategy would mean a substantial departure from current strategy, and would require additional time and research for development. For example, ads would need to be developed to address laws on underage drinking, issues of access to alcohol (point of sale), etc. This would dilute and delay the overall impact of the anti-drug ads by reducing their reach and frequency. Professional advertising and research staff have already alerted ONDCP that we may have too many strategic messages for the level of funds available. The addition of alcohol ads would further complicate efforts and delay the campaign from reaching its planned potential and strength.

Development of alcohol messages would place new, unanticipated requirements on our existing partners, require substantial time for production (behavioral briefs, focus groups and testing) and create additional expense. The Campaign was developed based on the Congressional expectation that all the messages used would be produced on a pro bono basis, primarily through the Partnership for a Drug Free America, whose agencies provide their creative work free of charge. PDFA does not produce national messages on alcohol use/abuse; thus, we would required to pay for development costs through an advertising agency (and no funding allocation exists for this). The costs and contractual effort required to undertake this would be substantial. Further it would undermine a principle upon which the campaign was based—the pro bono development of advertising messages.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF NATIONAL DRUG CONTROL POLICY,

Washington, DC, June 7, 1999.

MCCAFFREY SAYS INCLUSION OF UNRESEARCHED AND UNDER FUNDED ALCOHOL ADS IN YOUTH ANTI-DRUG MEDIA CAMPAIGN WOULD BE ILL-ADVISED

WASHINGTON, DC.—White House National Policy Director Barry McCaffrey today said that proposals to include alcohol prevention in the paid portion of the ongoing National Youth Anti-Drug Media Campaign ''could dilute the focus of the successful media campaign advertising effort to change attitudes of youth and parents toward illegal drug abuse.''

McCaffrey stated, ''We share a concern about the terribly serious problem of underage alcohol use. We do not disagree with the desirability of a media campaign targeted against underage drinking. However, it would be a serious mistake to simply add alcohol messages to the ONDCP paid media campaign without significantly increasing the funding level. Behavioral scientists and youth and advertising experts advise us that our campaign will only be effective if we purchase a sufficient level of media exposure for each of our messages. The addition of paid alcohol ads—without new funds, staff and research—would only hamper the effectiveness of our campaign.

A commercial advertiser would not add a new product line to an advertising plan without increasing the advertising budget. We cannot simply add new alcohol messages without seriously endangering the effectiveness of the anti-drug youth campaign. There are several challenges that would make an anti-alcohol campaign an expensive proposition. Although at the initiation of the National Youth Anti-Drug Media Campaign there was a stockpile of illicit drug ads, there are very few ads currently available on underage drinking. We would need to develop and produce expensive new ads. Additionally, since alcohol is legal for adults, an effective anti-alcohol campaign would need an entirely different strategy than our existing media campaign, which has as its focus illegal substances.

When ONDCP purchases time on national or local media, we negotiate to achieve a dollar-for-dollar matching contribution. Most of this contribution comes in the form of donated public service announcement slots in similar time periods. ONDCP then passes these PSA opportunities to organizations that have anti-drug messages. From July 1998 through January 1999, roughly 15% of television public service time given to the ONDCP Media Campaign was shared with four organizations confronting underage drinking and drunk driving (National Council on Alcoholism and Drug Dependence, Mothers Against Drunk Driving, Recording Artists, Athletes and Actors Against Drunk Driving, and the Department of Transportation). These messages have played over 7000 times on local and network television, which is conservatively valued at $8 million. In this concrete way, we have already generated the largest youth anti-alcohol media campaign in history. ONDCP has also used the match part of the campaign to urge networks to include anti-alcohol messages in entertainment programming. For example, the entire episode of WB's Smart Guy that aired on May 16 concentrated on underage drinking.''

We are now entering the second year of an increasingly successful youth anti-drug media campaign. Alcohol and tobacco use are clearly a major threat to the health and safety of our children. However, now is not the time to lose focus on the start of a massive, well designed and successful effort to reverse the disastrous increase in illegal drug use by Amedican adolescents.''

Mr. MCCONNELL. Mr. President, let us get on about the business of fighting teenage drug abuse. I urge my colleagues to support the motion to table.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, my colleague from Ohio is going to speak. I will give him 4 minutes to make his remarks.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. I thank my friend.

Mr. President, I rise in strong support of the Lautenberg amendment.

This is a commonsense amendment.

What are the essential facts? The essential facts are that underage drinking is a huge problem in this country. If you are worried about your child dying, this is a good place to start.

Statistics are absolutely unbelievable. The life expectancy of those between the age of 16 and 24 or 25 is not good. One of the main reasons it is not good is underage drinking. Most of the fatalities are connected with underage drinking.

Let me also state some other essential facts.

Advertising works. We all know it works. We know it works on campaigns. Where does the majority of the money that we raise for our campaigns go? It goes to advertising. Advertising is how we communicate with people. We know it works.

If we are serious about dealing with this problem, then we need to spend the money and we need to do the advertising.

One of the statistics that has been cited on this floor is very telling. It goes back to my question. If you are serious about this problem, if you are serious about protecting your kids, what do you do?

Here is one statistic. One study indicates that underage abuse of alcohol certainly has serious consequences. According to the Pacific Institute for Research and Evaluation, underage drinking killed an estimated 6,350 young people between the age of 12 to 20. That was for the year 1994. All other illicit drugs killed 980 youth.

If these statistics are true—based on my experience as county prosecutor and someone who has been involved in this issue for many years, I think it is true—alcohol kills six times as many children than all other illicit drugs combined.

This is a very modest proposal because it does not compel the drug czar to spend money. What it simply says is that the drug czar spend some of the money that they have that has been set aside for advertising. They can, in fact, spend it on this horrendous problem.

All you have to do to see this problem is to go to the hospital and talk to an emergency room physician. Ask an emergency room physician how often alcohol is related to what they see. They will tell you that on any Friday night, or any Saturday night, it dominates the emergencies; that the vast majority of the emergencies they see, particularly the serious ones, are alcohol related.

This is a leading killer of our young people. To say that we are not going to use this money that is available for advertising, which we know is effective, for this horrendous problem, frankly, makes absolutely no sense.

I appeal to my colleagues. While reasonable minds can differ—and I think my colleagues on the other side of this issue have made some very interesting and some good arguments—I believe that the statistics clearly indicate that alcohol is the drug of choice among young people.

For those who are underage, alcohol is the drug of choice. It is the most serious drug in this country, and it is also a gateway drug, which simply means it is the drug that most young people start with, and then they ''advance'' to other drugs.

To be able to mount a successful and a good advertising campaign—to take the words from the amendment, the message of ''discouraging underage alcohol consumption,'' that is what this amendment would allow.

I urge my colleagues to allow this permissive use of the money. I believe it will save lives. I believe it is the right thing to do.

Mr. LAUTENBERG. Mr. President, what time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 11 minutes 1 second. The Senator from Colorado has 15 minutes 39 seconds.

Mr. CAMPBELL. Mr. President, I think we have no further speakers on the issue on our side. We are prepared to yield back the time, unless someone shows up in the next minute or two.

Mr. LAUTENBERG. Mr. President, I think that we can move to conclude this debate. I will take just a couple of minutes. Unless there are further Members who want to speak, I will then yield back the time.

This is one of those debates that I really do not enjoy because the friends who are opposing this are not people who are against what we want to do. They are not against eliminating underage drinking—not at all. What we are arguing about is somewhat about process.

Frankly, though, we are on the same side of the issue. But I see them as having an argument that I can't buy, and I don't think the American people will buy. We are saying let's preserve as much of the $1 billion that we have to fight drugs through the media campaign, plus all of the other money spent on fighting drugs, even though we are not doing it quite successfully.

But we ought to be looking more critically at how we deal with the drug problem. We are building more jails. We are penalizing those in institutions and jails, or in other facilities of incarceration, who are not drug addicts. We are spending billions of dollars. And we don't put alcoholics in jail. We don't punish them. We don't stigmatize them the same way we do drug users.

But I point out that alcohol kills six times more children ages 12 to 20 than all other illegal drugs combined.

What does that say? Does that say that the children who die from alcohol are worth less to us as a society than those who die from illegal drugs? I don't think that is the message that we want to convey.

There is a $1 billion anti-drug media campaign. That $1 billion, in light of this surplus, could grow. But because the drug czar does not even have the authority, he cannot issue messages about underage drinking. There is something wrong with that. Why can't an ad that shows a picture of a degenerated adult brain from drug use say that also happens from alcohol?

In many cases, we see violence from alcohol that does not always kill. But it enrages people and causes fights. Alcohol is the product largely responsible for spousal abuse and internal family fights. Alcohol does it every time.

We have 4 million alcoholics between the ages of 13 and 20—4 million. That is a lot of young people. Yet, we are not waging the same war against alcohol as we are against drugs.

By the way, in the message that we heard from the distinguished senior Senator from Kentucky, he mentioned outstanding citizens, Jim Burke and Mario Cuomo, as people who are on the other side. But that doesn't mean that they are right in this fight. I disagree with them and have great respect for both of them. I know them personally.

The fact of the matter is, when we don't mention that alcohol is a scourge, as are illegal drugs, then it is assumed to be by young people something not so bad. We know it is terrible: Six times more fatal to young people than all of the illegal drugs combined.

What keeps the message from getting out there? I don't know that there is anybody lobbying for illegal drugs. But I know that there are people lobbying to keep this anti-alcohol message away from children. When I see the Budweiser lizards talking on television, it is a pretty attractive picture. But it is not a lot different from Joe Camel attracting kids to smoking. Young people laugh. They like those commercials. I know it goes right from the television into young people's minds.

Those commercials make people think, ''Beer is cool.'' But it is not cool when it is a 13-, 14-, or 15-year-old kid. As they say, a child who starts drinking at age 13 has a 47-percent chance of becoming an alcoholic. Those who wait until age 21 have only a 10-percent chance.

Why don't we respond to this epidemic? We can talk about programs that can make a difference, but we are not. But we are spending $1 billion on an anti-drug campaign. Yes, there has been a cutback, but I see that being restored. If those funds grow, the drug

czar can't add alcohol to the campaign, because he doesn't have the authority. This amendment gives him the authority. It doesn't tell him how to do it. It says tell young people out there, you hurt your brain, you hurt your family, you hurt your society, and you hurt yourself if you use alcohol.

The law is age 21. I wrote that law against terrific opposition in 1984. It was a Republican President. President Reagan was President, and Elizabeth Dole was the then-Secretary of Transportation. We worked together to get it done because they saw alcohol as a scourge.

I hope we are not put off by the argument that you can't do two things at the same time: ''No to drugs'' on one side of the screen; ''no to alcohol'' on the other side of the screen. I don't think that hurts anybody, and it could help somebody. That is the issue.

I hate to disagree with some of my friends who have taken the other side. I know they feel the problem deeply. I think they have chosen to dismiss an opportunity that I think is the only one that exists for us. We will not have an anti-alcohol program. Can you see trying to get that through this place with all of the friends of the alcohol industry? There is not a chance.

This is the time to do it. We ought to step up and vote the right way. Give the drug czar an opportunity to say no to alcohol, as well as to drugs.

I ask unanimous consent that a series of editorials be printed in the RECORD, including one from the New York Times, as well as a list of over 80 responsible organizations—many of them religious, a lot of them social—who are on our side of the issue, as well as the Surgeon General's letter.

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

[From the New York Times, June 2, 1999]

THE ANTI-DRUG CAMPAIGN'S MISSING LINK

Gen. Barry McCaffrey, President Clinton's director of national drug policy, has declared flatly that under-age drinking is the single biggest drug problem among adolescents, and is intimately linked to the use of illegal drugs. But as things stand now, the $195 million national media campaign that General McCaffrey is running this year to dissuade youngsters from using illicit drugs will not spend a penny in Federal funds to warn teenagers about the dangers of drinking.

The White House's Office of National Drug Control Policy offers two reasons for not including alcohol in the anti-drug campaign. the first is that it would dilute the basic message, which is that kids should avoid illegal drugs. That is strange reasoning, given the solid evidence showing that teen-age drinking is often a gateway to illicit drug use. Indeed, the first goal of the White House's national drug strategy is to ''educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco.'' It also notes that adults who started drinking as children are nearly eight times more likely to use cocaine than adults who did not do so.

The second reason is that Mr. McCaffrey believes that the statute granting his office authority to combat controlled substances leaves him no room to target alcohol. That rigid interpretation is open to question. In any case, the statutory problem can be quickly remedied by legislations. Representatives Lucille Roybal-Allard, Democrat of California, and Frank Wolf, Republic of Virginia, have introduced a measure that would explicitly give General McCaffrey the authority to include under-age drinking among the campaign's targets.

Ms. Allard and Mr. Wolf have lined up powerful support from groups like the American Medical Association. The National Beer Wholesalers' Association opposes the measure, as does the Partnership for a Drug-Free America, a nonprofit coalition of advertising firms that has been working on the campaign. The Partnership argues that an anti-alcohol message would dilute the anti-drug message, but some of the Partnership's members earn lucrative fees for promoting alcohol products.

The measure, an amendment to an appropriations bill, deserves support. If warning about the dangers of excessive drinking is not statutorily part of General McCaffrey's job, it ought to be.

[From The Washington Post, June 18, 1999]

BEER LOBBY AT WORK

If beer lobbyists have their way in Congress, an expensive taxpayer-funded campaign against youth drug use—$1 billion over five years for a prime-time advertising blitz—will go through Congress without a penny to combat the No. 1 drug choice among young people. In the eyes of the National Beer Wholesalers Association—the group responsible for killing legislation last year to toughen drunk-driving standards—alcohol doesn't count when it comes to warning kids about illegal drug use.

Karalyn Nunnallee, national president of Mothers Against Drunk Driving, points out that alcohol kills six times more young people in this country than all illicit drugs combined ''and is the primary gateway drug for other illicit drug use.'' Yet the campaign conducted by Gen. Barry McCaffrey, President Clinton's director of national drug policy, in cooperation with the Partnership for a Drug-Free America, has excluded any references to alcohol. The partnership, a nonprofit, non-federally funded, non-industry-supported coalition of advertising firms, favors a separate campaign against drinking by kids. It argues that anti-alcohol messages would inevitably dilute the focus on ''culturally'' very different drugs.

Still, an anti-drug campaign that can't mention alcohol—or binge drinking, a serious problem across America—is flawed. Reps. Lucille Roybal-Allard of California and Frank Wolf of Virginia are sponsoring an amendment before the House Appropriations Committee that would free Gen. McCaffrey of this restriction. Their point is not to detract from anti-drug messages but to add to their effectiveness by reflecting reality. Taxpayer dollars ought not be spent by the hundreds of millions to talk about drugs but to remain mute on the danger of illegal alcohol use by kids.

[From the Chicago Tribune, June 4, 1999]

SAY 'NO' TO UNDERAGE DRINKING, TOO

States uniformly ban the sale of alcoholic beverages to minors because they are not considered mature enough to drink responsibly and safely.

That bit of wisdom seems to have been lost on Congress, which by sleight of hand banned the federal government from mentioning alcohol in a $195 million anti-drug media blitz aimed at kids.

A two-word phrase deep in the legislation establishing the White House's Office of National Drug Control Policy—the so-called ''drug czar''—limits its activities to ''controlled substances.'' Liquor is not one, and so the federal government can't spend a nickel to warn kids about alcohol's potential dangers.

A bill introduced this month by U.S. Rep. Lucille Roybal-Allard (D–Calif.) would correct that and allow the drug czar to include alcohol warnings in anti-drug messages to children. It's a sensible amendment, reflecting national concerns about underage drinking, and it ought to be approved.

Leading the crusade against the Roybal-Allard bill is the National Beer Wholesalers' Association, whose tiresome refrain is that liquor is a legal product and the federal government has no business criticizing it in any forum.

Nonsense. Alcohol sales to minors are not legal, and the dangers of alcohol abuse by adolescents are universally recognized. ''It's the biggest drug abuse problem for adolescents, and it's linked to the use of other, illegal drugs,'' said drug czar Barry McCaffrey at a Feb. 8 news conference.

Among other research, a 1998 University of Michigan study reported that 74 percent of high school seniors had already tried alcohol—about twice as many as had smoked marijuana—and nearly a third admitted getting drunk during the previous month.

Still, a spokesman for the drug czar's office argues that adding ''. . . and alcohol'' to the federal ad campaign for kids would muddle its anti-drug message.

That's an inane distinction. Alcohol, in the hands of children or teens, is a dangerous drug they should be warned about. It's sufficiently dangerous in fact, that if more money is needed to broaden the federal media blitz, Congress should provide it.

Honesty has to be the trademark of a campaign against substance abuse, particularly one aimed at kids. Playing phony games with the definition of ''dangerous substance'' undermines the credibility of the effort and also its effectiveness.

[From the Los Angeles Times, June 16, 1999]

BOOZE AND ITS BACKERS

Federal drug czar Barry R. McCaffrey has launched a $1-billion media campaign to dissuade youngsters from substance abuse. Not a penny, however, will address the substance that today's teenagers are abusing the most: alcohol.

With youth consumption on the rise since the early 1990s, even McCaffrey acknowledges that alcohol leads to more teenage deaths than other drugs combined. Nevertheless, he insists that including alcohol in the campaign would only dilute its basic message, that kids should avoid illegal drugs.

That's hard to swallow, given federal studies showing that 67% of children who start drinking alcohol before age 15 end up using illicit drugs. And that adults who started drinking as children are nearly eight times more likely to use cocaine than those who did not.

That's why the House Appropriations Committee should pass an amendment by Rep. Lucille Roybal-Allard (D–Los Angeles), requiring McCaffrey to include underage drinking in his campaign's targets.

Ideally, the government would not be spending any money at all to reach the American people on TV and radio: Broadcasters promised in 1996 to offer more free

public-service spots, just before Congress gave them, without cost, a portion of the supposedly public airwaves that would have fetched $70 billion on the open market. Given that McCaffrey's money has already been allocated, however, Congress' focus should be on how he can spend it wisely.

The people scrambling to defeat Roybal-Allard's amendment are unable to offer any sound reason why alcohol should be excluded from McCaffrey's campaign. But they do have a clear stake in opposing the amendment. Leading the charge against it is Rep. Anne M. Northrup (R–Ky.). She received nearly twice as much campaign money from the alcoholic beverage industry in 1997 and 1998 as any of her colleagues on the House Appropriations Committee. At her side is a coalition of advertising firms, called the Partnership for a Drug-Free America, that have benefited handsomely from the $1 billion the alcohol industry spent last year on promotions.

On Thursday, the executives of those firms will meet at the annual American Advertising Conference in Washington. In a valid illustration of the capital's incestuous world, the opening speaker will be Gen. Barry McCaffrey.

[From the Christian Science Monitor, June 4, 1999]

THE MONITOR'S VIEW—DON'T SOFT-PEDAL ALCOHOL

The United States government will spend $195 million this year to persuade young Americans to avoid addictive drugs. Is there any good reason why some of that money should not be used to point out the dangers of the substance most abused by the young—alcohol?

A couple of members of Congress thought not. That's why they put forward legislation to give the country's chief antidrug official, Barry McCaffrey, the authority to use some of the advertising money available to the White House Office of National Drug Control Policy to steer kids away from beer, wine, and liquor.

But these matters are not so clear-cut as they seem—or as they ought to be. No sooner has Reps. Lucille Roybal-Allard (D) of California and Frank Wolf (R) of Virginia offered their amendment than a political-defense mechanism lurched into action. Alcoholic beverages have a powerful lobby on Capitol Hill, and their producers and distributors contribute faithfully to campaign war chests.

Opposition to the amendment is coalescing in Congress around the argument that including alcohol would dilute or distort the antidrug message. How so, since alcohol destroys more young lives than any other drug, and people who use ''hard'' drugs typically have tried alcohol first? Binge drinking, threatening order and individual lives, has become an increasing problem on college campuses.

No, what's kicking in is ''Big Alcohol's'' political clout and America's ambivalence about its most popular over-the-counter addictive drug, which is relentlessly pitched to the young via TV beer ads. Sadly, McCaffrey's office is ambivalent, hardly leaping to support the amendment Leaving alcohol out of the antidrug campaign creates a gap in common sense and effectiveness. Representatives Roybal-Allard and Wolf get high marks for working to fill it.

[From the Record, June 7, 1999]

OVERLOOKED TYPE OF ABUSE—FAR MORE YOUNGSTERS DRINK THAN USE DRUGS

Common sense doesn't always win in Congress. How else can you explain some of the reactions to an amendment directing the Federal Government to spend some of its anti-drug advertising dollars to discourage underage drinking? Unless, of course, campaign contributions are a factor.

Many people believe that underage drinking is a far more serious problem than drug use by youngsters. And there's evidence to support their view. For example, nearly three-quarters of the high school seniors surveyed by the University of Michigan last year said they had consumed alcohol in the previous year, compared with the 38 percent who reported smoking marijuana. A third admitted to being drunk in the previous month.

Gen. Barry McCaffrey, director of federal drug policy, has called underage drinking the ''biggest drug abuse problem for adolescents.'' He has said it is ''linked to the use of other, illegal drugs.''

Yet while the federal government this year plans to spend $195 million on a national media campaign to fight the use of illicit drugs, no money has been set aside for an advertising campaign to combat underage drinking.

Earlier this month, Lucille Roybal-Allard, a California Democrat, introduced legislation to make underage drinking a target of the federal anti-drug media campaign. Her measure is supported by the American Medical Association, the American Public Health Association, the American Society of Addictive Medicine, and Mothers against Drunk Driving.

But several members of Congress and the beer wholesalers oppose it. Even the White House's Office of National Drug Control Policy has questioned it.

Why? The beer industry says it already spends hundreds of thousands of dollars to combat the problem. It says the drug czar should focus only on illicit drugs. Rep. Anne Northrup, R–KY, agrees and has promised to fight the measure when it comes up for a vote. Ms. Northup says her opposition has nothing to do with the nearly $40,000 in contributions she has gotten from liquor and beer interests in the past two years.

The Partnership for a Drug-Free America, the coalition that coordinates the anti-drug media campaign, says it supports the concept of targeting underage drinking. But it says federal efforts would be dwarfed by the $3 billion a year the beer industry spends promoting its products. The Partnership says $195 million is not enough to do two effective campaigns, and that one good campaign is preferable to two weak ones.

Maybe, but it's hard to see how targeting underage drinking would dilute the message against drugs. If the two are connected—as Mr. McCaffrey says—discouraging youths from drinking might also prevent some from using drugs.

[From The Boston Globe, June 22, 1999]

BEER PRESSURE

The same lobby that killed a proposal last year to standardize blood alcohol levels for drunken driving is now trying to keep underage drinking out of a youth education campaign sponsored by the nation's drug czar, General Barry McCaffrey.

The National Beer Wholesalers Association opposes the inclusion of underage drinking in the $195 million media campaign, claiming that alcohol is a legal substance and should not be lumped with marijuana, cocaine, and other illegal drugs. But drinking under age 21 is illegal in every state, and alcohol abuse is far more common than any other drug among young people.

General McCaffrey himself has said alcohol is ''the biggest drug abuse problem for adolescents.'' But his office has been strangely circumspect about adding underage drinking to the campaign, saying the drug czar's charter limits his mandate to fighting controlled substances. This is why Congress should favor an amendment sponsored by Representatives Frank Wolf of Virginia, a Republican, and Lucille Roybal-Allard of California, a Democrat, that authorizes McCaffrey to include underage drinking in the education campaign.

The alcohol lobby is terrified of being regulated like that other legal killer, cigarettes, with warning labels on beer cans and limits on marketing to teenagers. It points to its voluntary public service ads that urge responsible drinking. But the alcohol industry spends nearly $3 billion a year on marketing and promotion. Against that backdrop, ''responsibility'' needs all the help it can get.

The facts about underage drinking are sobering. The National Highway Traffic Safety Administration reports 16,100 alcohol-related fatalities in 1997—one person killed every 32 minutes. Intoxication rates were highest for the youngest drivers. Although the universal drinking age of 21 has helped reduce fatalities, motor vehicle crashes remain the number one cause of death for teenagers.

June—prom season—is the month when most of these tragic deaths occur. It would be a good month for Congress to do something about it.

STATEMENT OF ORGANIZATIONS SUPPORTING INCLUSION OF ANTI-UNDERAGE DRINKING MESSAGES IN THE YOUTH ANTI-DRUG MEDIA CAMPAIGN

An effective antidrug prevention program directed at America's young people must include a significant effort to discourage underage drinking. Alcohol is the leading drug problem among young people in America, and a ''gateway'' to the use of other drugs.

We therefore call on Members of Congress and the White House Office of National Drug Control Policy (ONDCP) to work together to insure that a series of underage drinking prevention messages is included as a substantial part of the federally paid portion of the ''Anti-Drug Youth Media Campaign.''

NATIONAL ORGANIZATIONS

Adventist Health Network
American Academy of Addiction Psychiatry
American Academy of Pediatrics
American College of Nurse-Midwives
American College of Preventive Medicine
American Dance Therapy Association
American Health and Temperance Association
American Medical Association
American Medical Student Association
American Medical Women's Association
American Public Health Association
American School Health Association
American Society of Addiction Medicine
Center for Science in the Public Interest
Child Welfare League of America
Church of Jesus Christ of Latter Day Saints
Consumer Coalition for Health and Safety
Consumer Federation of America
Face Truth and Clarity on Alcohol
Join Together
Latino Coalition on Alcohol and Tobacco
The Marin Institute
Mothers Against Drunk Driving
National Alliance of Pupil Service Organizations
National Association of Addiction Treatment Providers

National Association of Evangelicals
National Association for Public Health Policy
National Association of State Alcohol and Drug Abuse Counselors
National Association on Alcohol, Drugs, and Disability
National Crime Prevention Council
National Council on Alcoholism and Drug Dependence
National Drug Prevention League
National Families in Action
The National Road Safety Foundation
National Woman's Christian Temperance Union
Partnership for Recovery:
The Betty Ford Center
Caron Foundation
Hazelden Foundation
Valley Hope Association
Security on Campus
Service Employees International Union (AFL–CIO)
Seventh-day Adventist Church of North America
Southern Baptist Ethics and Religious Liberty Commission
United Methodist Church, Board of Church & Society
Youth Power (formerly: Just Say No, International)

STATE AND LOCAL ORGANIZATIONS

AGC/United Learning (Evanston, ILL)
Alabama Council on Substance Abuse
Alcohol Research Information Service (MI)
Alcohol Services, Inc. (Syracuse, NY)
Break Free Outpatient, Inc. (Hollywood, FL)
'Cause Children Count Coalition (Washington, DC)
Charlotte-Mecklenburg [NC] Drug and Alcohol Fighting Back Project
Christian Citizens of Arkansas
Communities that Care—Somerset County (PA)
Dauphin County Regional Alcohol/Drug Awareness Resources (PA)
Florida Association of Alcohol and Drug Abuse Counselors
Georgia Alcohol Policy Partnership (GAPP)
Hillsborough County Community Anti-Drug Coalition (Tampa, FL)
Indiana Coalition to Reduce Underage Drinking
Institute for Health Advocacy (San Diego, CA)
Illinois Churches in Action
Lake County (FLA) Citizens Committee for Alcohol Health Warnings
Lancaster County Drug and Alcohol Commission (PA)
Lebanon County Drug & Alcohol Prevention Program (PA)
Los Angeles County Commission on Alcoholism
Maryland Underage Drinking Prevention Coalition
National Capitol Area Coalition to Prevent Underage Drinking (DC)
Network of Alabama Prevention Professionals
New Haven Fighting Back
Newark Fighting Back Partnership, Inc.
New Visitors/Mercy Hall Chemical Dependency Program (Johnstown, PA)
PAR, Inc. (Pinellas Park, Florida)
Pennsylvanians Against Underage Drinking
Pennsylvania Council on Alcohol Problems
Pennsylvania Prevention Director's Association
Perry (County) Human Services (PA)
Phase: Piggy Back, Inc. (New York)
PRIDE—Omaha
Somerset County Department of Human Services (PA)
St. Vincent College Prevention Projects (Latrobe, PA)
TODAY, Inc. (Vensalem, PA)
Vallejo Fighting Back Partnership (CA)
The Village (Miami, FL)
Youth As Resources (Somerset County, PA)

DEPARTMENT OF HEALTH AND HUMAN SERVICES, ASSISTANT SECRETARY FOR HEALTH AND SURGEON GENERAL,

Washington, DC, June 11, 1999.

Hon. BARRY F. MCCAFFREY,
Director Office of National Drug Control Policy, Executive Office of the President, Washington, DC.

DEAR GENERAL MCCAFFREY: I congratulate you for your excellent work in developing the national anti-drug media campaign and demonstrating such strong leadership in support of our nation's youth. I am confident that the effectiveness of this program as a means of educating and motivating children and their families will be enhanced by a greater commitment to the problem of underage drinking. Thus, I want to recommend that you include advertisements addressing underage drinking in the paid portion of ONDCP's media campaign.

Alcohol is the drug most frequently used by American teenagers. It is consumed more frequently than all other illicit drugs combined and is the drug most likely to be associated with injury or death. Alcohol is a drug that can affect judgement, coordination and long-term health. It is involved in teen automobile crashes, homicides, and suicides; the three leading causes of teen deaths. No comprehensive drug control strategy for youth can be complete without the full inclusion of underage alcohol use and abuse.

The National Household Survey on Drug Abuse reports that there are 11 million drinkers between the ages of 12 and 20. Over fifty percent of high school seniors report having been drunk in the past year. Among 12–17 year olds, less than half perceive great harm in consuming five or more drinks once or twice a week. In light of the prevalence of underage drinking, it is little surprise that alcohol consumption by youth so often results in risky behaviors which lead to unplanned pregnancies, sexually transmitted diseases, involvement with law enforcement, and worst of all, death and the death of others. These are the immediate impacts on society and do not include the even more costly, long term impact of alcohol abuse or dependence on individual health and the state of families.

A recent study from the National Institute of Alcohol Abuse and Alcoholism sheds even greater light on the implications of these figures. Youth who begin drinking before the age of 15 are four times as likely to become alcoholic as those who wait until age 21 or later to begin drinking. This research also indicates that every year of delayed drinking onset will result in a significant reduction in risk for alcohol abuse or alcoholism. Underage drinking is a shadow that threatens the health, safety and adolescence of our nation's youth.

We should utilize a public health media campaign to send youth and their families messages which will educate them about the health and social consequences of underage drinking. Through the ONDCP strategy, we can utilize this effective medium for altering youth attitudes about underage drinking and for supporting community-based prevention activities that will help young people adopt lifestyles that eschew the use of alcohol and other drugs. The evidence of need is overwhelming.

I stand ready to work with you to develop a powerful media campaign that will effectively deglamourize underage drinking. I have established a Surgeon General's Staff Working Group to bring together the resources of the Department to create an effective campaign to curtail the incidence of underage and binge drinking. This campaign will be successful only if it can receive the national dissemination available through a paid media campaign. It is time to more effectively address the drug that children and teens tell us is their greatest concern and the drug we know is most likely to result in their injury or death.

Sincerely yours,
DAVID SATCHER, M.D., PH.D.
Assistant Secretary for Health and Surgeon General.

Mr. KERREY. Mr. President, I want to explain my opposition to the Lautenberg amendment giving ONDCP's National Youth Anti-Drug Media Campaign jurisdiction to include underage alcohol consumption for the purposes of the media campaign. Like all my colleagues, I have seen the results of underage drinking, and I deplore them. Young lives should not be wasted, and I challenge the White House and my colleagues to continue to take action to curb this problem.

However, I do not believe this amendment is the correct way to solve the underage drinking crisis. The Youth Anti-Drug Media Campaign is not the right vehicle for anti-alcohol messages. The Office of National Drug Control Policy fights the war on drugs, not alcohol. I agree with Drug Czar Barry McCaffrey that there is an important distinction between illegal drugs and alcohol, which is a legal substance. Additionally, simply adding anti-alcohol messages to the ONDCP's Youth Anti-Drug Media Campaign without appropriating more funds for this purpose will dilute the anti-drug efforts. Resources which are badly needed to fight drugs will be rerouted to fight underage drinking. I cannot support a bill which chooses to fight alcohol at the expense of illegal drugs.

I have supported in the past, and will continue to support, programs that discourage underage drinking. In fact, I want to applaud the efforts of alcohol distributers, who have initiated many of these important programs.

Let us find a different way to take action against underage alcohol consumption that does not compromise our actions against the use of illegal drugs.

Mr. LAUTENBERG. Mr. President, I yield the remaining 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The distinguished Senator from Iowa.

Mr. HARKIN. Mr. President, I am pleased to cosponsor this amendment offered by the distinguished Senator from New Jersey. I compliment him on

his foresight for bringing this amendment up.

We will have a 5-year media campaign, with $1 billion targeted at youth so they don't get into drugs and start taking drugs. The drug czar himself, General McCaffrey, said that alcohol is the gateway drug. Mr. President, 42 percent of Iowa teens seeking substance abuse treatment in 1998 were being treated for alcohol addiction; three out of five teens have had an alcoholic drink in the last month.

We have a 5-year, $1 billion ad campaign to tell teens don't take cocaine, don't take meth, don't smoke marijuana, and we are not going to say anything about beer and alcohol? These are the first drugs these kids take.

That is what the Senator from New Jersey is saying. Let's require in this package of ads over 5 years that they also target drinking by kids.

I understand that the amendment is supported by Mothers Against Drunk Driving, the National Association of State Alcohol and Drug Abuse Counselors, and the National Association of Alcohol, Drugs, and Disability.

It is time we took teen drinking seriously. I heard that the National Beer Wholesalers Association is opposed to the amendment. If I am wrong, someone please correct me. It is this association that has always said they are against teen drinking. If they are against teen drinking, why would they be opposed to this amendment to put ads out showing teens what happens if they drink?

Eight young people every day die in alcohol-related car crashes. It is time to stop this epidemic.

Mr. CAMPBELL. How much time remains?

The PRESIDING OFFICER. Fifteen minutes 33 seconds.

Mr. CAMPBELL. I yield to the Senator from Kentucky.

Mr. MCCONNELL. Let me reiterate that the practical effect of the Lautenberg amendment is to gut the effort to reduce teenage drug use.

I wouldn't argue with a single thing that any of our colleagues has said about the importance of combating teenage drinking. Everybody thinks it is important to combat teenage drinking. Fortunately, over the past 20 years teenager drinking has gone down. However, according to a highly respected University of Michigan study, teenage drug use has gone up 46 percent since 1992.

We should let this effort to combat teenage drug use, which is dramatically on the increase, go forward. On another day in another contest, let's pursue an effort to deal with teenage drinking.

This amendment, regretfully, would gut a very important campaign to combat teenage drug use. That is not me speaking. That is Mario Cuomo and Bill Bennett, chairman of the Partnership for a Drug-Free America, who oppose this amendment, which is not to say that either one of those men is in favor of teenage drinking.

Let's keep this antidrug effort intact and let what we hope will be an effective advertising campaign go forward.

I thank Senator CAMPBELL for yielding time to me.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me make just a couple of concluding comments, again reiterating I am really quite uncomfortable in the position of opposing Senator LAUTENBERG. But I do not think this is a forced choice of the type he suggests we make; I do not think this is a choice that we ought to be required to make. One might at some point put together a program, which I would fully support, to say let us do $1 billion advertising in 5 years, targeted to Americans, especially America's kids, dealing with alcohol abuse. I would support that. Then one would say, perhaps, coming to the floor of the Senate: This program you have dealing with alcohol abuse, why doesn't it include drugs? Or, Why doesn't it include addiction to smoking cigarettes? I would support that as well.

But we ought to do them as programs we can measure and evaluate. The program we are talking about now is a program dealing with drugs. It is 3 years into the program. People say: Why doesn't it include alcohol? Let's do a program on alcohol. I will support that.

The story I told earlier, about going to the Oak Hill Detention Center and seeing these young children, kids on drugs who were convicted of violent crimes, do you know the other thing about their stories? In every case, they were 12 or 13 years old and they were addicted to drugs, selling drugs, shooting people, committing armed robbery, being involved in violent crimes; and the other common denominator in every single case was they had parents addicted to drugs. They came from homes, often with only a single parent, in which that parent was addicted to drugs, died at a young age, and was an abusive parent because of being addicted to drugs. There is a common denominator.

This program is a program designed to say to America's youth, through drug education by television commercials: Don't do drugs. We know television advertising works. We all use it. Hundreds of billions of dollars a year are spent on television ads to convince people to listen to certain kinds of music, wear certain kinds of jeans, to buy certain kinds of food. We know it works. I think it will work with respect to this issue of drugs as well.

We are 3 years into the program. I will support gladly, and with great excitement, a program on alcohol. I have supported every initiative dealing with alcohol abuse and drunk driving in this Senate. I will support it as well dealing with the addiction to cigarettes. The targeting of alcohol and cigarettes, both legal products, to this country's youth, is unforgivable.

But this is a separate issue. We have a campaign underway. It is 3 years in progress. It is designed very deliberately to change the understanding and the culture dealing with drugs. I think it has a chance of working. So let us do that. We had to cut it $50 million this year alone just on this issue. Let us allow this to work. At another time I will be happy to join my colleague from New Jersey and others in designing an identical program dealing with alcohol abuse.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Senator DORGAN and I find ourselves in a strange debate indeed, because I think we as much as anyone in this body want to reduce teenage drinking. All of us have had personal tragedies in our families. As I say, as a former deputy sheriff and as a volunteer prison counselor, I know all the horror stories. We know a lot of them today. I don't deny any of them. I am sure they have created terrible problems in families and in society, too. But I think we are missing the point I tried to make a while ago. It is not whether we want to reduce teenage drinking. We all do. It is whether this is the right vehicle; and it is not.

I mentioned a while ago that ONDCP does not have statutory authority. If we are going to add statutory authority and just bypass the legislative part of this body, why don't we do away with the legislative part of this body and just do all legislation in appropriations bills?

I would join my friend from New Jersey if he wanted to introduce a bill to add alcohol to the ONDCP's agenda. That would be fine with me, to add more money to it, too. I would be a cosponsor. I will be more than willing to fight the battle with him to make sure we reduce teenage drinking in any kind of ad campaign that would be effective. I hope we will do that, too. But I believe this is the wrong vehicle for it. We ought to do it through the authorizing committees.

Mr. DORGAN. Mr. President, if the Senator from Colorado will yield, let me make one final observation. He mentions the issue of alcohol. He comes from a particular perspective, being a Native American.

I want to tell him just about two people, and I will do it in 30 seconds. I toured a hospital one day. He talks about fetal alcohol syndrome. A young Native American woman had just given birth to a baby. The woman was an alcoholic. The baby was born with a .21 blood-alcohol content, a young baby born dead drunk. This woman, having

had a third baby, wanted nothing to do with that child, didn't want to see that child. That child will probably have fetal alcohol syndrome.

But I was down at a hospital not far from this building and I saw babies born from crack-addicted mothers, and I saw babies born drug addicted, addicted to hard drugs. The doctors told me what those babies are like as they try to shed this addiction, being born of mothers who had taken drugs during this pregnancy.

We have problems in all of these areas. I do not deny that. But this program deals with drugs. I think it has a chance of working. I hope we can allow that to happen with this vote.

Mr. CAMPBELL. I thank the Senator for those eloquent comments.

Mr. President, I ask unanimous consent that after the first vote, there be 2 minutes equally divided in the usual form between the remaining votes.

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

Mr. CAMPBELL. Mr. President, I see no further speakers. I yield the remaining time, and I move to table the Lautenberg amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1214. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. McCAIN (when his name was called). Present.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 58, nays 40, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—58

Abraham	Dorgan	Mack
Allard	Enzi	McConnell
Ashcroft	Fitzgerald	Murkowski
Baucus	Frist	Nickles
Bennett	Gorton	Robb
Bond	Graham	Roberts
Breaux	Gramm	Santorum
Brownback	Grams	Sessions
Bunning	Grassley	Shelby
Burns	Gregg	Smith (NH)
Campbell	Hagel	Smith (OR)
Chafee	Hatch	Snowe
Cochran	Hutchinson	Thomas
Collins	Inhofe	Thompson
Conrad	Jeffords	Thurmond
Coverdell	Kerrey	Torricelli
Craig	Kyl	Voinovich
Crapo	Lincoln	Warner
Daschle	Lott	
Domenici	Lugar	

NAYS—40

Akaka	DeWine	Hollings
Bayh	Dodd	Hutchison
Biden	Durbin	Johnson
Bingaman	Edwards	Kennedy
Boxer	Feingold	Kerry
Bryan	Feinstein	Kohl
Byrd	Harkin	Landrieu
Cleland	Helms	Lautenberg
Leahy	Reed	Specter
Levin	Reid	Stevens
Lieberman	Rockefeller	Wellstone
Mikulski	Roth	Wyden
Moynihan	Sarbanes	
Murray	Schumer	

ANSWERED ''PRESENT''—1

McCain

NOT VOTING—1

Inouye

The motion was agreed to.

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, there are 2 minutes of debate before a motion to table the amendment of the Senator from Arizona, Mr. KYL. Who yields time?

The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I ask unanimous consent to vitiate my motion to table the Kyl-Hutchison amendment No. 1195. During the break we were able to finalize some language for the amendment.

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

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the time prior to the motion to table amendment No. 1200 by Senator DEWINE be limited to 45 minutes, to be equally divided in the usual form, and no other amendments be in order to the amendment prior to the motion to table the vote.

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

The question is on the amendment by the Senator from Colorado, Mr. KYL.

Mr. CAMPBELL. We have reached agreement, but we don't have the modification printed.

The PRESIDING OFFICER. Does the Senator ask that the amendment be laid aside?

Mr. CAMPBELL. Yes, I make that request, Mr. President.

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

EXECUTIVE SESSION

NOMINATION OF LAWRENCE H. SUMMERS, OF MARYLAND, TO BE SECRETARY OF THE TREASURY

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of Lawrence H. Summers to be Secretary of the Treasury. There will be 2 minutes evenly divided on that nomination. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

This is a fine moment for the Senate. We are here to confirm Mr. Lawrence Summers as Secretary of the Treasury of the United States. He has had a fine career in Government. He was on the staff of the Council of Economic Advisers under President Reagan. He was Under Secretary for International Affairs of the U.S. Treasury under Secretary Lloyd Bentsen, our former colleague. Since 1995, he has been Deputy Secretary of the U.S. Treasury. If my revered colleague and chairman were present at this moment, he would want to point out that his nomination was reported out from the Finance Committee unanimously.

The PRESIDING OFFICER. Who yields time? Who holds the time on the majority side?

If not, by unanimous consent, all time is yielded back. The question is, Will the Senate advise and consent to the nomination of Lawrence H. Summers, of Maryland, to be Secretary of the Treasury? On this question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 195 Ex.]

YEAS—97

Abraham	Feingold	Mack
Akaka	Feinstein	McCain
Ashcroft	Fitzgerald	McConnell
Baucus	Frist	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murkowski
Biden	Gramm	Murray
Bingaman	Grams	Nickles
Bond	Grassley	Reed
Boxer	Gregg	Reid
Breaux	Hagel	Robb
Brownback	Harkin	Roberts
Bryan	Hatch	Rockefeller
Bunning	Helms	Roth
Burns	Hollings	Santorum
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Chafee	Inhofe	Sessions
Cleland	Jeffords	Shelby
Cochran	Johnson	Smith (OR)
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
Coverdell	Kerry	Stevens
Craig	Kohl	Thomas
Crapo	Kyl	Thompson
Daschle	Landrieu	Thurmond
DeWine	Lautenberg	Torricelli
Dodd	Leahy	Voinovich
Domenici	Levin	Warner
Dorgan	Lieberman	Wellstone
Durbin	Lincoln	Wyden
Edwards	Lott	
Enzi	Lugar	

NAYS—2

Allard Smith (NH)

NOT VOTING—1

Inouye

The nomination was confirmed.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the President be immediately notified of the Senate's action.

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

Mr. MOYNIHAN. I thank the Chair. I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS, 2000—Continued

Mr. LOTT. Mr. President, is there going to be a modification to the Kyl amendment before we go to the Y2K liability?

Mr. CAMPBELL. Mr. President, we have an agreement on that, if Senator KYL is ready.

AMENDMENT NO. 1195, AS MODIFIED

Mr. KYL. I have a modification of amendment No. 1195. I note for the record that this modification is cosponsored by Senators FEINSTEIN, MCCAIN, ABRAHAM, GRAHAM, GRAMM, DOMENICI, and GRASSLEY, along with Senator HUTCHISON and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. KYL), for himself, and Senators HUTCHISON, FEINSTEIN, MCCAIN, ABRAHAM, GRAHAM, GRAMM, DOMENICI, and GRASSLEY, proposes an amendment numbered 1195, as modified.

The amendment (No. 1195), as modified, is as follows:

SEC. 119. *Provided further*, That the Customs Service Commissioner shall utilize $50 million to hire 500 new Customs inspectors, agents, appropriate equipment and intelligence support within the funds available under the Customs Service headings in the bill, in addition to funds provided to the Customs Service under the FY99 Emergency Drug Supplemental.

At the appropriate place, at the end of Title I, insert the following on page 38, after line 5 insert the following:

Mr. GRASSLEY. Mr. President, I want to thank the chairman and committee for their willingness to work with Senators KYL, HUTCHISON, me, and others to include in the Treasury appropriations bill to hire 500 more inspectors and agents, along with appropriate intelligence support and equipment. It is my understanding, in addition, that if there is a difference between the House and Senate bills in this regard that the Committee will do what it can in conference to ensure that the funding for these increases will be found outside of the Customs budget.

Mr. CAMPBELL. I thank my colleague from Iowa. The committee has faced a lot of tough decisions in this bill and I appreciate my colleagues' flexibility. The Senator is correct. I will do what I can in conference to support the additional funding for Customs increased by this amendment, and to try to identify appropriate sources of funding outside the U.S. Customs Service budget.

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

Mr. CAMPBELL. Mr. President, the majority supports the amendment.

Mr. DORGAN. Mr. President, we have reviewed the amendment and the modification, and we have no objection to it.

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

The amendment (No. 1195), as modified, was agreed to.

Mrs. HUTCHISON. Mr. President, I just wanted to say that this is a very important amendment. We will have 500 more Customs agents for our drug control. I think that it is very important that we were able to make this a priority.

I appreciate Senator DORGAN and Senator CAMPBELL working with us.

The PRESIDING OFFICER. The majority leader.

CONDITIONAL ADJOURNMENT OR RECESS OF CONGRESS

Mr. LOTT. Mr. President, I send a concurrent resolution to the desk calling for the conditional adjournment of Congress. I ask that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 43) providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

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

The concurrent resolution (S. Con. Res. 43) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, July 1, 1999, Friday, July 2, 1999, or Saturday, July 3, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 12, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, July 1, 1999, or Friday, July 2, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 12:30 p.m. on Monday, July 12, 1999, for morning-hour debate, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Majority Leader of the Senate and the Majority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that after the DeWine amendment, which comes after Y2K is dispensed with, I be able to bring my amendment to the floor.

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

Y2K ACT—CONFERENCE REPORT

Mr. MCCAIN. Mr. President, I ask unanimous consent to lay aside the pending business and turn to the conference report to accompany H.R. 775.

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

The clerk will report.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 775), to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 29, 1999.)

The PRESIDING OFFICER. Under the previous order, debate on the conference report is limited in the following manner:

The Senator from Arizona, Mr. MCCAIN, 20 minutes;

The Senator from Connecticut, Mr. DODD, 15 minutes;

The Senator from Oregon, Mr. WYDEN, 15 minutes;

The Senator from Vermont, Mr. LEAHY, 10 minutes;

The Senator from South Carolina, Mr. HOLLINGS, 50 minutes.

Immediately following that debate, the Senate will proceed to a vote on the adoption of the conference report with no other intervening action or debate.

The Senator from Arizona.

Mr. MCCAIN. Mr. President, I don't intend to use all of my time. I intend to yield 5 minutes to the Senator from Washington. I have talked to other Members who have time under this agreement. For the benefit of my colleagues, I think we will not use all of the time as outlined in the unanimous-consent agreement.

I am pleased to urge the final passage of the conference report on H.R. 775. This has been a long and arduous process. While there have been times when the bill appeared to be moving slowly, or even dying, I was always confident we would do the right thing and pass this final bill.

We are now ready to enact this critical legislation. For the benefit of my colleagues, the House has just passed the conference report by a vote of 404–24. This is a victory for the Nation and for the continued prosperity of our economy as we enter the new millennium.

This is a critical piece of legislation. It allows all of our businesses and industries, large and small, hitech and

non-hitech, to concentrate their efforts for the next 6 months on preventing Y2K problems from happening, and planning remediation measures. Rather than spending time, resources and money planning litigation defenses, we can be focusing on the means for fixing the problems.

This legislation strikes a very fair and practical balance in protecting the economy and protecting the rights of consumers. And very importantly, I want to note, it addresses needs and problems of small businesses, as well as large.

I would like to dispel any misconceptions or misinformation that there was any underhandedness in the final negotiation and drafting of revisions to this bill. Despite attempts to address Administration concerns last week with revisions and compromises that were made Friday, over the weekend, and on Monday, final negotiations and proposals by the White House were made on Tuesday morning, as we pressed against the deadline for completion of the conference report. Final revisions and drafting were made with every effort and good faith intention to respond to the generalized requests of the White House. Challenges to the integrity, professionalism and honor of the conferees and staff are unwarranted. This is a fair bill that reflects a bipartisan compromise.

Perhaps the recent vote just a few minutes ago in the House might indicate that is an overwhelming view in the other body. I am sure the vote in the Senate will also indicate overwhelming support for this legislation.

During the conference, the Senate and the House proponents of the legislation agreed to at least 10 substantive changes to the bill. These significant compromises were in addition to 10 or more major concessions made in the Senate from the time it was passed by the committee until its passage on the floor. These revisions and compromises have resulted in a more narrowly tailored piece of legislation but one that will still accomplish everything we set out to accomplish when the bill was introduced in January.

We know the provisions of the bill:

The 30-day notice and 60-day remediation period allows prompt resolution of problems without time-consuming and expensive litigation

It provides that defendants are responsible for the share of harm they cause, with some exceptions to ensure that consumers are made whole.

It requires plaintiffs to mitigate damages.

It penalizes defendants who intentionally defraud or injure plaintiffs; or who are bad actors.

It provides liability protection for those not directly involved in a Y2K failure.

It assures that someone will not lose his house if a mortgage payment cannot be made or processed because of a Y2K failure.

It sunsets in three years.

It does not deny the right of anyone to redress legitimate grievances.

This legislation will encourage an atmosphere of cooperation in solving problems, rather than rushing to the courthouse. Emphasizing the need to talk out and resolve differences rather than litigating them will be helpful not only in the Y2K situation, but I hope will move us away from the litigious nature of our country today.

I am especially pleased at the level of bipartisan and bicameral cooperation in bringing this legislation to fruition. This legislation demonstrated the true ability of both parties and both bodies of Congress to work together for the good of the country. The efforts on both sides of the aisle and both sides of the Capitol to achieve consensus have been tireless. This conference has truly been a civics class example of how Congress can rise above special interest demands to do the right thing in the public interest

Mr. President, there are many who have contributed to this effort, particularly during the conference with the House. I want to especially mention the steadfast support and efforts of both Senator DODD and WYDEN. They worked late into the night this week to negotiate with the White House and assure the President's support.

I thank my two colleagues, Senator DODD and Senator WYDEN. This bill passed the Commerce Committee 11–9 on a strict partisan vote. Thanks to the efforts of those two individuals, who have been tireless, we were able to not only work with the other side of the Capitol, but the White House. Senator WYDEN and Senator DODD have better relations with the White House than I do. That is no secret to anyone around here. The fact that they were able to work more closely with the White House than I ever could have was a significant and, frankly, critical part of this agreement that we made. I again extend my deep appreciation to them.

It did not win them the ''Miss Congeniality'' award in their own caucus—something I am familiar with on this side of the aisle.

My appreciation, as well as a certain amount of sympathy, goes out to them. In all seriousness, without their efforts we would not be here.

I also think they would join me in expressing appreciation to Congressman GOODLATTE and Congressman DAVIS on the other side. Congressman GOODLATTE and Congressman DAVIS started with a piece of legislation far more ''restrictive''—if that is the right word—in the opinion of some, a lot better.

The fact is, they were willing to agree to the movement in the compromises that were made. They clearly could have held their ground and we couldn't have moved forward.

By the way, Congressmen GOODLATTE, DAVIS, and SENSENBRENNER were the originators of this legislation.

I also thank Senator GORTON, Senator FEINSTEIN, Senator HATCH, and Senator BENNETT.

It reminds me of the old line of Jack Kennedy after the Bay of Pigs: Victory has 1,000 fathers and defeat has 1 poor lonely orphan.

Along with that philosophy, I thank the staff members on both sides of the aisle and both sides of the Capitol: Carol Grunberg of Senator WYDEN's staff; Shawn Maher of Senator DODD's staff; Jeanne Bumpus of Senator GORTON's staff; Larry Block with Senator HATCH; Steven Wall on Senator LOTT's staff; Laurie Rubenstein with Senator LIEBERMAN; Tania Calhoun of the Y2K Committee; Diana Schacht of the House Judiciary Committee; Phil Kiko, of Congressman SENSENBRENNER's staff; Amy Herrink, of Congressman DAVIS staff; and Ben Kline of Congressman GOODLATTE's staff.

Finally, I thank the coalition that got behind this legislation. Their help was as broad as any coalition of businesses—large, small, and medium sized—I have seen in my experience here in the Senate.

I thank the National Association of Manufacturers, the Chambers of Commerce, and hi-tech groups, including ITAA, ITI, and BSA.

I ask unanimous consent a list of the year 2000 coalition members be printed in the RECORD.

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

YEAR 2000 COALITION MEMBERS LIST

Aerospace Industries Association.
Airconditioning & Refrigeration Institute.
Alaska High-Tech Business Council.
Alliance of American Insurers.
American Bankers Association.
American Bearing Manufacturers Association.
American Boiler Manufacturers Association.
American Council of Life Insurance.
American Electronics Association.
American Entrepreneurs for Economic Growth.
American Gas Association.
American Institute of Certified Public Accountants.
American Insurance Association.
American Iron & Steel Institute.
American Paper Machinery Association.
American Society of Employers.
American Textile Machinery Association.
American Tort Reform Association.
America's Community Bankers.
Arizona Association of Industries.
Arizona Software Association.
Associated Employers.
Associated Industries of Missouri.
Associated Oregon Industries, Inc.
Association of Manufacturing Technology.
Association of Management Consulting Firms.
BIFMA International.
Business and Industry Trade Association.
Business Council of Alabama.
Business Software Alliance.
Chemical Manufacturers Association.

Chemical Specialties Manufacturers Association.
Colorado Association of Commerce and Industry.
Colorado Software Association.
Compressed Gas Association.
Computing Technology Industry Association.
Connecticut Business & Industry Association, Inc.
Connecticut Technology Association.
Construction Industry Manufacturers Association.
Conveyor Equipment Manufacturers Association.
Copper & Brass Fabricators Council.
Copper Development Association, Inc.
Council of Industrial Boiler Owners.
Edison Electric Institute.
Employers Group.
Farm Equipment Manufacturers Association.
Flexible Packaging Association.
Food Distributors International.
Grocery Manufacturers of America.
Gypsum Association.
Health Industry Manufacturers Association.
Independent Community Bankers Association.
Indiana Information Technology Association.
Indiana Manufacturers Association, Inc.
Industrial Management Council.
Information Technology Association of America.
Information Technology Industry Council.
International Mass Retail Association.
International Sleep Products Association.
Interstate Natural Gas Association of America.
Investment Company Institute.
Iowa Association of Business & Industry.
Manufacturers Association of Mid-Eastern PA.
Manufacturer's Association of Northwest Pennsylvania.
Manufacturing Alliance of Connecticut, Inc.
Metal Treating Institute.
Mississippi Manufacturers Association.
Motor & Equipment Manufacturers Association.
National Association of Computer Consultant Business.
National Association of Convenience Stores.
National Association of Hosiery Manufacturers.
National Association of Independent Insurers.
National Association of Manufacturers.
National Association of Mutual Insurance Companies.
National Association of Wholesaler-Distributors.
National Electrical Manufacturers Association.
National Federation of Independent Business.
National Food Processors Association.
National Housewares Manufacturers Association.
National Marine Manufacturers Association.
National Retail Federation.
National Venture Capital Association.
North Carolina Electronic and Information Technology Association.
Technology New Jersey.
NPES, The Association of Suppliers of Printing, Publishing, and Converting Technologies.
Optical Industry Association.
Printing Industry of Illinois-Indiana Association.
Power Transmission Distributors Association.
Process Equipment Manufacturers Association.
Recreation Vehicle Industry Association.
Reinsurance Association of America.
Securities Industry Association.
Semiconductor Equipment and Materials International.
Semiconductor Industry Association.
Small Motors and Motion Association.
Software Association of Oregon.
Software & Information Industry Association.
South Carolina Chamber of Commerce.
Steel Manufacturers Association.
Telecommunications Industry Association.
The Chlorine Institute, Inc.
The Financial Services Roundtable.
The ServiceMaster Company.
Toy Manufacturers of America, Inc.
United States Chamber of Commerce.
Upstate New York Roundtable on Manufacturing.
Utah Information Technology Association.
Valve Manufacturers Association.
Washington Software Association.
West Virginia Manufactures Association.
Wisconsin Manufacturers & Commerce.

Mr. MCCAIN. We could not have succeeded without them.

I do not intend to make further remarks except to reserve about 5 minutes of my time for the Senator from Washington. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Oregon.

Mr. WYDEN. Mr. President, it is a great honor to be on the floor today to express my special appreciation at being able to work with Senator MCCAIN, Senator DODD, and so many of our colleagues on both sides of the aisle on this important legislation.

This bill is designed with one point and that is to make sure that America's prosperity does not screech to a halt when the calendar pages flip over to start a new millennium. I am of the view that with this bill, millions of consumers and businesses are more likely to be on line at the turn of the century than waiting in line for a courtroom date.

I am especially pleased at the bipartisan efforts to make sure the individual consumer was protected in this legislation. This legislation allows consumers to get punitive damages against the bad actors. It makes sure consumers cannot be ripped off with fraudulent misrepresentations. It greatly expands the opportunity for consumers to bring cases in State rather than Federal court. And the conference report ensures that the individual consumer doesn't get the shaft because they are going to be in a position to be made whole when you take the entire package of remedies that would be available to them.

I am going to focus for just a moment on the 20 major changes that were made in this legislation after it left the Senate Commerce Committee; seven of them Chairman MCCAIN and I agreed on and one of them was a bottom-line proposition for me. The Senator from South Carolina, who is so eloquent with respect to the rights of plaintiffs in our country, was concerned, legitimately, about the long-term ramifications of this legislation. At my insistence, after the Senate Commerce Committee completed its work, Chairman MCCAIN added a 3-year sunset provision to this legislation. So this is going to be a bill to deal with a finite, discrete problem, not something that is going to linger for decades and decades.

We also eliminated the vague Federal defenses that were involved early on. We dropped the preemptive standards for punitive damages. We made sure that bad actors were not going to get a free ride. We restored joint liability for defendants who knowingly committed fraud. There were extra damages for plaintiffs facing insolvent defendants and we restored limited liability for directors and officers. That is what we began with after it left the Senate Commerce Committee and why I was pleased to join with Chairman MCCAIN.

Then Senator DODD, who is the Democrats' leader on these technology issues and who has given me, as a junior Member of this body, so much counsel, came along and made an additional set of important changes so as to particularly protect small businesses. We also went further with respect to officers and directors, and we made sure that plaintiffs were not going to face tougher evidentiary standards because of the good work done by the Senator from Connecticut.

Then we went to the conference committee and there were 10 major changes made to address concerns of the White House. In the area of proportionate liability, we doubled the orphan share for the solvent defendants, we tripled the orphan share for defendants when the plaintiffs were bad actors, and we assured that individual consumers facing insolvent defendants were made whole.

We made a number of changes in the class action area. We boosted the monetary threshold. In committee, when we began it was at $1 million. Now it is at $10 million. We boosted the class size from 50 to 100 plaintiffs. We also added provisions to make sure cases could be dealt with under remand provisions to assist the consumer.

Finally, there were changes in securities law to exempt private securities claims under this act, strong provisions with respect to contract enforcement. And to address a number of the important issues that our colleague from North Carolina has raised with respect to economic loss, we stipulated the economic loss rules would apply in a number of instances so as to give the consumer yet another tier of protection.

Our Nation needs a game plan for Y2K. This legislation is not going to solve all of the Y2K problems that crop up early in the next century. But what we will do by passing this legislation is ensure that we do not compound the problems we know are going to occur. We are doing it in a way that is going to ensure consumers are made whole, that bad actors face the stiffest of penalties, and at the same time we do not encourage mindless litigation that does nothing other than drain the vitality out of our economic prosperity.

I have believed for a long time that failure to pass legislation in this area would be similar to lobbing a monkey wrench into the Nation's technology engine which is driving our prosperity. This legislation gives us the opportunity to keep that prosperity going. I am very honored to have had the opportunity to be part of this effort.

I pay special thanks, in wrapping up my remarks, to my colleague, Senator DODD, the Democratic leader on these technology issues. A little bit after midnight on Monday—I guess that would be early Tuesday morning—this relatively young Senator was getting a little pooped and beginning to wonder how much longer I could keep going. The distinguished Senator from Connecticut said: This is not an option. We are going to stay at it until this legislation gets done. I say to my pal from Oregon, I am going to be talking to the President of the United States tonight.

I looked at my watch and I thought: Well, it is quarter to 1. This is going to be interesting, to learn a little bit more about this call. But in fact, as a result of the efforts of Senator DODD, the work that was done by Chairman MCCAIN and his staff and a variety of colleagues on both sides of the aisle in those early morning hours, on Tuesday we consummated the 20 major changes that were made in this legislation to ensure we had a bipartisan bill. So I have to tell you, this legislation, which was on the ropes early Tuesday morning with a lot of us thinking that it was going down for the count, now is a bill that our body can be proud of. It is a genuine compromise. I am not going to continue further because I know there are a number of colleagues who wish to speak as well. But I do want to pay tribute to a number of our staff who put in these extraordinary hours.

I see Marti Allbright and Mark Buse over there, with Chairman MCCAIN; Senator DODD's staff as well. Carol Grunberg, who is here with me, is sort of the Senate's Bionic Woman. She just kept going when it was so important to keep the parties together.

I am proud to be part of this effort. I look forward to what I hope will be a resounding vote in the Senate before too long. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time is reserved under the unanimous consent agreement for the Senator from Vermont?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. LEAHY. Mr. President, this conference report on the Y2K liability protection bill is being roundly praised, but not universally. Not universally. And it should not be. This bill is worse than the bill the Senate passed only a few weeks ago. The conference report provides expanded legal protections, especially at the expense of consumers, and I believe it raises serious constitutional questions. I do not support it because it is an unjustified wish list for special interests that are or might become involved in Y2K litigation.

The conference report greatly expands the scope of the Senate-passed bill by amending this act to apply to a potential Y2K failure. In fact, section 4 of the bill was amended during the conference to apply to the act's legal restrictions for a potential Y2K failure that could occur or has allegedly caused harm or injury before January 1, 2003. Let me ask, what is a potential Y2K failure? Nobody knows. I tell you this, over the next 4 years almost every lawsuit involving any technology issue could trigger the bill's special legal protections under this sweeping definition.

Once again, the majority is manipulating a key phrase to suit the wants of a special interest. The business lobby has inserted its own expanded definition of a Y2K action to broaden the scope of this bill. A House conferee observed when this expanded definition was first proposed last Thursday that it was an expansive definition that had been expressly rejected during House Judiciary Committee proceedings. It certainly was not accepted here. Lo and behold, like the ''Lady of the Lake'' rising, we find this comes out of the ether during the conference.

Not really even during the conference. In fact, that may be one reason the conference was never called to meet for a second time to go over the proposed conference report or to even vote on these matters, because it was easier to have matters not considered by the House or the Senate or the conference or voted on, but those that came from somewhere—not from us. But there they are.

In fact, after the first truncated meeting was adjourned and a possible follow up meeting was postponed Tuesday morning, the conference was never called back into public session to debate the proposal or even permit amendments to be offered and voted on. I predicted at the first and only preliminary meeting of the conference that I would not be allowed an opportunity to improve the bill by adding balance and protecting consumers, or at least even get a vote on it. I am sorry to report that I was correct. In fact, the conference report was filed without any follow up meeting or votes by the conference committee.

That is an interesting way of doing things. If we have a lobby that does not want something, like the juvenile justice bill that passed—they do not want it because they lost on the gun issues—why, it comes to a screeching halt: We are studying it, we are reviewing it, we want to deliberate this, we need to have time for votes, we have to have a conference and go thoroughly into it.

We have another lobby that says we want this Y2K bill: We do not like the bill that passed the Senate, and the House did not do enough for us. Will you throw a bunch of stuff in, don't vote on it, don't talk about it, don't have any procedure, just toss it in, because this is what we want, and, oh, by the way, we want it right now, we need it in a hurry.

This vagueness of a potential Y2K failure will also add to more future litigation instead of curbing it. From a bill that is supposed to deter frivolous litigation, this new, vague definition will produce more lawsuits and may give special legal protection to many more companies than the Senate-passed bill.

These special legal protections include: 90-day waiting period to file a lawsuit, heightened pleading requirements, duty to anticipate and avoid Y2K damages, overriding implied warranties under State law, proportionate liability, and many others. All these special legal protections still apply to small business owners and consumers in this so-called compromise. In fact, the bill, as presently drafted, would preempt consumer protection laws of each of the 50 States.

I have to ask: Why does this bill create new protections for large corporations while taking away existing protections for ordinary citizens? Maybe they do not have as much influence at the conference.

Many consumers may not be aware of potential Y2K problems in the products they buy for personal, family, or household purposes. They just go to the store and buy it and expect it to work. They are going to find a real surprise if there is something in there that does not work. One thing that will not work is the usual remedies they expect out of the consumer protection laws.

This bill as presently drafted would preempt the consumer protection laws of each of the 50 states and restrict the legal rights of consumers who are harmed by Y2K computer failures.

Why is this bill creating new protections for large corporations while taking away existing protections for the ordinary citizen? We all know that individual consumers do not have the same knowledge or bargaining power in the marketplace as businesses with more resources.

Many consumers may not be aware of potential Y2K problems in the products that they buy for personal, family or household purposes. Consumers just go to the local store or neighborhood mall to buy a home computer or the latest software package. They expect their new purchase to work. What if it does not, due to a Y2K problem?

Then the average consumer should be able to use his or her home state's consumer protection laws to get a refund, replacement part or other justice. But not under this bill.

The conference report also greatly expands the jurisdiction of the federal courts to consider Y2K cases under its class action provisions—now throwing Y2K cases into Federal court if a plaintiff seeks an award of punitive damages. Again, this expansion of the Senate-passed bill is unjustified.

It could be legal malpractice for an attorney not to seek punitive damages at the beginning of a case, when the complaint is filed and before discovery of all the facts has commenced. This provision makes no sense and may cause great harm.

Chief Justice Rehnquist and the Judicial Conference soundly rejected this approach months ago. The Judicial Conference found that shifting Y2K cases from state courts ''holds the potential for overwhelming the federal courts, resulting in substantial costs and delays.'' I wonder who pays for that. I bet it is us.

In addition, the Judicial Conference concluded ''the proposed Y2K amendments are inconsistent with the objective of preserving the federal courts as tribunals of limited jurisdiction.''

These views are shared by the state court judges, as reflected in the position of the Conference of Chief Justices. They note that these Y2K bills ''pose a direct challenge to the principles of federalism underlying our system of government.'' They describe these bills as ''radically'' altering the complementary role of the state and federal courts. The Chief Justices of our state courts remind us: ''The founding fathers created our federal system for a reason that Congress should be extremely reticent to overturn.''

I thought the Administration had also rejected this approach.

Mr. President, I suspect that the sweeping federal procedural and substantive changes to state law in this conference report will not pass constitutional muster when challenged. The conference report does not create a federal cause of action for Y2K lawsuits. Instead, the bill forces federal rules and liability protections on state-based claims and procedures. This will result in the dismissal of claims that might otherwise succeed under state law and clearly usurps the ability of state legislatures to make and enforce the laws for their citizens.

The conference report is an arrogant dismissal of the basic constitutional principle of federalism. Given the Supreme Court's recent rulings on the power of the States in relation to the Congress under our Constitution, I predict the Supreme Court will strike down this new law as unconstitutional.

We in Congress should not be tramping on the rights of the States to set the legal procedures for their courts and define the legal rights for their citizens.

On May 1, 1999, Assistant Attorney General Eleanor Acheson outlined the Department of Justice's views on this legislation. The Department of Justice concluded that: ''Because the McCain-Wyden-Dodd proposal modifies tort and contract law so as to reduce the liability of potential Y2K defendants, it reduces the incentive for potential defendants to avert Y2K failures. In a similar fashion, we do not believe that modifying the rules of liability that apply to meritorious tort and contract actions will deter frivolous Y2K claims, which by definition will be filed regardless of the rules of liability. Instead, the modification in the McCain-Wyden-Dodd bill seem more likely to curtail legitimate Y2K lawsuits.''

I agreed with the Department of Justice on May 1, 1999, when this letter was written, and I agree with this letter today. Mr. President, I ask unanimous consent that the full text of the Department of Justice's views as of May 1, 1999, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. LEAHY. This conference report is telling the business community: Don't worry, be happy when it comes to Y2K remediation; don't worry about fixing the problem, don't worry about trying to protect the consumers, because the Senate and the House are going to protect you; all you have to worry about is yourself, not those who buy your products.

If they take that attitude using this bill as a shield, it only makes Y2K computer problems worse next year instead of fixing them this year. The best defense against any Y2K lawsuit is to be Y2K compliant in 1999, not waiting for a problem to happen and in the year 2000 say: Oh, wait a minute, they took care of us in the Congress; too bad, we're home free.

That is why I hosted a Y2K conference in Vermont to help small businesses prepare for 2000. That is why I taped a Y2K public service announcement in my home state. That is why I cosponsored Senator BOND and Senator KERRY's new law, the ''Small Business Year 2000 Readiness Act,'' to create SBA loans for small businesses to eliminate their Y2K computer problems now. That is why I introduced, with Senator DODD as the lead cosponsor, the ''Small Business Y2K Compliance Act,'' S. 962, to offer new tax incentives for purchasing Y2K compliant hardware and software.

These real measures will avoid future Y2K lawsuits by encouraging Y2K compliance now.

Last year, I joined with Senator HATCH to pass into law a consensus bill known as ''The Year 2000 Information and Readiness Disclosure Act.'' We worked on a bipartisan basis with Senator BENNETT, Senator DODD, the Administration, industry representatives and others to reach agreement on a bill to facilitate information sharing to encourage Y2K compliance.

The new law, enacted less than nine months ago, is working to encourage companies to work together and share Y2K solutions and test results. It promotes company-to-company information sharing while not limiting rights of consumers. That is the model we should use to enact balanced and narrow legislation to deter frivolous Y2K litigation while encouraging responsible Y2K compliance.

Unlike last year's Y2K information sharing law, this conference report is not narrow or balanced. Instead it is an justified wish list for special interests that are or might become involved in Y2K litigation.

The coming of the millennium should not be an excuse for cutting off the rights of those who will be harmed. It should not be an excuse for turning our States' civil justice system upside down. It should not be an excuse for immunizing those who recklessly disregard the coming problem to the detriment of American consumers.

EXHIBIT 1

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF POLICY DEVELOPMENT,
Washington, DC, May 1, 1999.

Hon. ALBERT GORE, Jr.,
President, U.S. Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to clarify the Justice Department's views on the McCain-Wyden bill, S. 96, as amended by Senator DODD's April 28 proposal. We appreciate the efforts of Senator DODD to improve S. 96. Nevertheless, Senator DODD's amendments do not cure many of the defects that prompted the Department to oppose S. 96, and the Department continues to oppose the bill, even with Senator DODD's amendments. The Department, however, understands that Senators KERRY and ROBB are working on an amendment in the nature of a substitute that addresses our primary concerns and which we can support.

The Administration has, all along, advocated Y2K legislation as long is it serves three important goals: (i) giving companies every incentive to become Y2K compliant; (ii) encouraging resolution of Y2K problems without resort to litigation; and (iii) deterring frivolous Y2K lawsuits without deterring legitimate Y2K claims. We are convinced, however, that the McCain-Wyden-Dodd bill does not achieve these goals. In fact, that bill may significantly undermine two of them. Because the McCain-Wyden-Dodd proposal modifies tort and contract law so as to reduce the liability of potential Y2K

defendants, it reduces the incentive for potential defendants to avert Y2K failures. In a similar fashion, we do not believe that modifying the rules of liability that apply to meritorious tort and contract actions will deter frivolous Y2K claims, which by definition will be filed regardless of the rules of liability. Instead, the modifications in this McCain-Wyden-Dodd bill seem more likely to curtail legitimate Y2K lawsuits.

I will now outline briefly some of the Department's major concerns with the McCain-Wyden-Dodd version of S. 96.

COVERAGE ISSUES

The McCain-Wyden-Dodd proposal would apply to Y2K lawsuits brought by consumers and to private securities actions. McCain-Wyden-Dodd contains a number of provisions that make it more difficult for plaintiffs to assert and recover on their Y2K claims—they must provide more extensive notice to all defendants, satisfy higher pleading requirements, and may even then be denied their economic losses and punitive damages. Although these restrictions may be appropriate as applied to businesses with greater financial and other resources, imposing these heavier burdens is likely to erect insuperable obstacles for plaintiffs who are consumers.

The McCain-Wyden-Dodd proposal also applies to private securities actions, even though such actions are already governed by the comprehensive provisions of the Private Securities Litigation Reform Act of 1995 and the Securities Litigation Uniform Standards Act of 1998. Considerable time and effort was spent in designing those two laws as a means of barring meritless claims but allowing the filing of legitimate claims. In the absence of any evidence that this legislation was ineffective at achieving these purposes, there would appear to be no need to upset the careful balance it achieved by applying the sweeping reforms of McCain-Wyden-Dodd to litigation already covered by that prior legislation.

CLASS ACTION PROVISIONS

The McCain-Wyden-Dodd proposal creates federal jurisdiction over any Y2K class action where more than one million dollars is at issue. With this low threshold, this proposal allows most Y2K class actions brought in state court, even those based solely on state law, to be moved to federal court, where they would be analyzed under federal standards. Class action claims that could have been brought under state law would have to be dismissed unless they also satisfy those federal standards. Not only would this result in the dismissal of claims that might have succeeded under state law, but it would also usurp the ability of state legislatures to define the relief available to their citizens.

PROVISIONS MODIFYING STATE TORT LAW AFFECTING Y2K CLAIMS

The McCain-Wyden-Dodd proposal substantially rewrites state tort law as applied to Y2K claims. Section 13, for example, freezes in time many aspects of the state law governing resolution of Y2K tort claims as it existed on January 1, 1999, thereby preventing the States from enacting any reforms to their tort law, even reforms that apply generally to all tort claims. Other sections of McCain-Wyden-Dodd significantly curtail the damages Y2K plaintiffs may recover for their injuries. Most dramatically, section 12 bars recovery of economic losses in all tort suits not involving personal injury or property damage, including fraud and misrepresentation suits where the only damages are economic losses. This is not simply a codification of existing state law rules; section 12 establishes a new—and much broader—restriction for the recovery of these damages. Finally, section 5 of McCain-Wyden-Dodd usurps state law regarding recovery of damages with a rule of proportionate liability for all Y2K defendants, no matter how much they might have contributed to the plaintiff's injuries.

Because of the concerns I have outlined, the Department remains opposed to S. 96, even as modified by Senator DODD's proposed amendments.

The Office of Management and Budget has advised us that from the perspective of the Administration's program, there is no objection to the submission of this letter.

Sincerely,

ELEANOR D. ACHESON,
Assistant Attorney General,
U.S. Department of Justice.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I yield sufficient time as may be necessary under the time I am allotted under the agreement.

Mr. President, a notable author once stated that ''decades surrounding a new millennium are periods of severe disruptions and cultural transformations.'' In the context of American politics, it appears that this prophecy is coming to fruition even before the 21st century officially arrives.

From the manner in which this legislation has been considered, and unfortunately, from its ultimate passage, it appears that this country is embarking upon a serious transformation of America's constitutionalism.

For 200 years, we have honored a system of federalism that recognized the appropriate balance between States and the Federal Government concerning the administration of civil law. Civil disputes unrelated to constitutional claims were considered to be reserved to the states and local citizens. But this cherished notion of states' rights no longer seems to be the case. Now, upon the idea of promoting industrialism, and more specifically, the so-called growth of technology, it appears that federalism, as well as the constitutional rights of American citizens, are becoming not only dishonored, but for sale to the highest bidder.

There are some who will support this legislation today upon the grounds that this is a bill limited in scope. Nothing could be further from the truth. This legislation includes some of the broadest limitations ever imposed on consumers' civil remedies, including severe restrictions on the recovery of economic losses and the ability to pursue class action suits.

The majority's claims about the recovery of economic losses greatly exceed the degree to which economic losses will be recoverable under the bill. In reality, the legislation will forbid the recovery of economic losses in almost every situation.

The conference majority contends that the class action provision has been made more pro-plaintiff because of the change made to the monetary requirement—from $1 million to $10 million—and the change made to the class size requirement, which is now 100 members. However, the conference majority failed to highlight the decision by the conference committee to add a provision that allows any class action suit to be removed to federal court in the event the suit includes a claim for punitive damages. The addition of this provision has expanded the federalization of class actions suits well beyond the provision in the original bill.

The conference report states that my provision on consumer credit protection has been revised to reflect the true intent of the provision, which was to prevent consumers from losing their mortgages because of Y2K failures. However, the purpose of the provision was not to singularly protect mortgages, but to protect consumers against adverse actions in relation to all debt-related transactions, including automobile loans and credit card obligations.

I know that many of my colleagues on this side of the aisle will vote for final passage because of the President's decision to sign this bill. I am most disappointed in the President's decision. When the President announced and carried out his veto of the products liability bill three years ago, I applauded. He states then that there was no justification for broad restrictions on punitive damages, joint and several liability, and broad preemption of State law. He reiterated those concerns in several statements on this bill. Yet, he announces his intention to sign the bill. In fact, his staff says he'll sign the legislation, even though it doesn't reflect the actual agreement between the White House and conference members.

I assure my colleagues that if we remain on this course, the constitutional and moral soul of this Nation will soon perish. This ideology of short term gain, and success at all costs, will surely work to our detriment. Consideration of this bill reminds me of a quote by Horace Rumpole, when he said:

> We went to all that trouble with King John to get trial by our peers, and now a lot of lawyers with the minds of business consultants want to abolish juries.

Mr. President, when I hear the expression by my distinguished chairman about a victory for the Nation and such nonsense from the distinguished Senator from Oregon about the consumers not getting the shaft—that is exactly what they are getting. That is exactly what is happening.

We tried our best to protect the consumers. You name the consumer organization in America—Public Citizen, Consumers Union—they are all still opposed to this conference report.

I stand here with a letter which the American Bar Association recently wrote:

The American Bar Association opposes enactment of H.R. 775 in either the form that passed the Senate on June 15, 1999 or the form that passed the House of Representatives on May 12, 1999. . .The American Bar Association believes that the rights of the States should not be trampled in the rush to enact legislation to address concerns about Y2K. Traditionally, legal principles governing both tort and contract action have been the province of the States, not the Federal Government. The legal issues likely to be presented by the Year 2000 problem are not unique.

I ask unanimous consent the letter from the American Bar Association be printed in the RECORD.

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

AMERICAN BAR ASSOCIATION,
GOVERNMENTAL AFFAIRS OFFICE,
Washington, DC, June 22, 1999.

Hon. TRENT LOTT,
U.S. Senate,
Majority Leader of the Senate,
Washington, DC.

DEAR MR. MAJORITY LEADER: We understand that the Administration and key members of Congress are continuing to try to resolve differences with respect to H.R. 775, Y2K liability legislation. Last Friday, the ABA's Board of Governors met in Boston and adopted policy regarding the pending legislation. I am writing to you to express the American Bar Association's views on this legislation.

The American Bar Association opposes enactment of H.R. 775 in either the form that passed the Senate on June 15, 1999, or the form that passed the House of Representatives on May 12, 1999. The ABA is supportive of efforts to impose a reasonable waiting period before a lawsuit could be brought and encouraging potential litigants to utilize alternative dispute resolution methods during this period. The ABA is also supportive of encouraging the disclosure of known Y2K defects and of encouraging businesses, with appropriate antitrust relief, to cooperate in the development and implementation of remediation of Y2K defects. However, the ABA strongly opposes provisions in the versions of the legislation that passed both in the House and in the Senate that would: (1) provide for federal standards regarding the award of punitive damages; (2) limit the extent of defendants' liability to their proportional share of damages; (3) limit the liability of officers and directors in Y2K proceedings; (4) allow for removal of almost all Y2K class actions to federal court; and (5) preempt the state laws to place a federal cap on punitive damages. The ABA also opposes the fee-shifting provisions of section 508 of H.R. 775, as passed by the House.

The ABA believes that the rights of the states should not be trampled in the rush to enact legislation to address concerns about Y2K. Traditionally, legal principles governing both tort and contract actions have been the province of the states, not the federal government. The legal issues likely to be presented by the Year 2000 problem are not unique. Except for some regulatory action undertaken by federal and state agencies, there is little in the nature of special Y2K law. Disputes arising from Year 2000 computer failures likely will involve garden-variety claims of misrepresentation, fraud, breach of contract, insurance coverage and the like. There is no reason to believe that the legal standards and procedures applicable to non-Y2K-related tort, contract and class action claims are not appropriate for resolution of lawsuits involving the Year 2000 issue.

The ABA believes that it is doubtful that H.R. 775, as passed by either House, would encourage more or better Year 2000 remediation, or more or better disclosure about Year 2000 readiness. In fact, we believe that the opposite result is the more likely. Many businesses are inspired to undertake their Year 2000 remediation projects with a higher degree of diligence precisely because of potential legal liability. Legislation changing the standards of liability breeds uncertainty, and prudent business people frequently opt not to spend money in the face of uncertain returns. Where the relevant law of the jurisdictions in which businesses now operate is fairly certain, any new federal law will only muddy the waters. In light of the almost certain constitutional challenges and the necessity of litigation to interpret a new law in the various states, the efficacy of any new legislation will also be minimal at best.

From the perspective of directors and officers insurance issues, a Y2K safe harbor could put the directors and officers in a Catch-22 situation. Year 2000 compliance is expensive. Compliance obligations must be weighed, like any other business decision, against the costs and the liabilities of non-compliance. If the penalties associated with Year 2000 are removed, it is plausible the directors' and officers' decision-making pendulum would swing the other way—toward maximizing corporate short term profits.

Moreover, proposed legislation has the potential to penalize organizations that have been the most diligent in their Year 2000 preparations. Many companies have spent millions of dollars in this endeavor. More significantly, many started early, and have virtually completed their projects, performing innumerable tests and drills. Some are helping their customers and other members of the business community by sharing the knowledge they have learned. These efforts should be encouraged. However, by raising the bar for bringing and sustaining legal action, Congress may be penalizing those companies who through their own foresight spent their resources to adequately deal with Year 2000 issues. Those who choose not to spend sufficient resources could have a competitive advantage. In short, whatever benefits the proposed legislation may have are likely to be too little, too late and to reward the wrong people.

The fee-shifting provisions of Section 508 of H.R. 775, as passed the House, would preempt federal, state and local statutes and court rules to apply a modified ''losers pay'' or fee-shifting court rule with respect to any Year 2000 claim for money or property. They would require that if either side rejected a settlement offer prior to trial and did less well at trial than the offer, that party would be responsible for the attorney's fees and costs of the other party from the date on which the last offer was made by the adverse party.

Section 508 would force parties either to accept a settlement offer or run the risk of incurring the fees of the other side. This would encourage ''low-ball'' settlement offers by the defendant rather than a realistic appraisal of the value of the case. Only the wealthy claimant would be able to run the risk of incurring such fees; in particular, the middle-class claimant who has some assets to lose would be in the greatest jeopardy. In a clear case of liability, the advantage might be partially alleviated by a counter offer or demand. But in all cases, the risk of litigation would be greater for someone who believes their claim or defense is just.

The American Bar Association does not endorse court rules or statutes that provide for fee-shifting based upon rejection of settlement offers. Such proposals would deter those who lack the financial wherewithal to absorb not only their own legal fees but also those of their adversaries from filing meritorious claims or defending meritorious positions. They favor the litigant with financial muscle, provide a disincentive to all claimants with limited financial means and encourage settlement by gamesmanship rather than encouraging realistic appraisals. Ultimately they erode our country's concept of equal justice under the law.

Although the ABA does not support court rules or statutes that provide for fee-shifting based on rejection of settlement offers, it adopted policy in February 1996 suggesting that if such a statute or rule is being contemplated, certain safeguards outlined in an ''offer of judgment procedure'' be incorporated in such a statute or rule. We would be happy to provide you with a copy of this offer of judgment procedure should you wish to review it and to answer any questions you may have about the ABA policy on this matter.

Please let me know if I can provide you with additional information or otherwise be of assistance to you on this matter.

Sincerely,

ROBERT D. EVANS.

Mr. HOLLINGS. No Governor, no Attorney General, no State legal group supports this legislation. On the contrary, there is a letter here from the Conference of Chief Justices of the several States in opposition to this measure.

I ask unanimous consent to have that printed in the RECORD.

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

CONFERENCE OF CHIEF JUSTICES, OFFICE OF GOVERNMENT RELATIONS, NATIONAL CENTER FOR STATE COURTS,
Arlington, VA, May 25, 1999.

Hon. TOM DASCHLE,
Minority Leader, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DASCHLE: I am writing on behalf of the Conference of Chief Justices (CCJ), to express our concern with S. 96 and H.R. 775 in their present form. We understand that S. 96 and H.R. 775 are attempts to address the serious problem of potential litigation surrounding the Y2K issue. However, in part, the bills pose a direct challenge to the principles of federalism underlying our system of government. We are particularly concerned that each bill would in effect replace established state class action procedures in favor of removal to the Federal courts on most cases. The members of CCJ seriously question the wisdom of such an action.

In this regard, CCJ agrees with the position of the U.S. Judicial Conference as submitted by Judge Walter Stapleton to the House Judiciary Committee on April 13, 1999. His testimony points out that:

''State legislatures and other rule-making bodies provide rules for aggregation of state-law claims into class-wide litigation in order to achieve certain litigation economies of scale. By providing for class treatment, state

policymakers express the view that the state's own resources can be best deployed not through repetitive and potentially duplicative individual litigation, but through some form of class treatment. H.R. 775 could deprive the state courts of the power to hear much of this class litigation and might well create incentives for plaintiffs who prefer a state forum to bring a series of individual claims. Such individual litigation might place a greater burden on the state courts and thwart the states' policies of more efficient disposition.

Federal jurisdiction over class litigation is an area where change should be approached with caution and careful consideration of the underlying relationship between state and federal courts.''

We would emphasize that State courts presently handle 95 percent of the nation's judicial business. State and Federal courts have developed a complementary role in regard to our jurisprudence and these bills would radically alter this relationship. It is not enough to argue these bills affect only a segment of commerce, or that resolution of the problem on a state by state basis is inconvenient. It is a bad precedent that could have future ramifications. The founding fathers created our federal system for a reason that Congress should be extremely reticent to overturn.

If you have any questions, please feel free to contact me directly, or contact Tom Henderson or Ed O'Connell who staff our Government Relations Office. They can be reached at (703) 841–0200.

Respectfully,

DAVID A. BROCK,
Chief Justice,
President, Conference of Chief Justices.

Mr. HOLLINGS. Certainly everybody wants money. I want money. You want money. Republicans want money. Democrats want money. The White House is going crazy after money. Heavens above, everybody knows everybody wants money.

If you think this is just a spurious comment, let's go back. Here it is: ''GOP Vies for Backing of High-Tech Leaders. Party Aims to Exploit Y2K Vote. . .''

That is from the Washington Post, dated June 13. I ask unanimous consent to have that printed in the RECORD.

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

GOP VIES FOR BACKING OF HIGH-TECH LEADERS—PARTY AIMS TO EXPLOIT Y2K VOTE, CEO SUMMIT

(By Thomas B. Edsall)

Republicans will make an all-out bid to wrest the cash and prestige of Silicon Valley from the Democratic Party this week by capitalizing on a crucial Senate vote and a three-day National Summit on High Technology, events that will have high-tech executives lining the halls of Congress in unprecedented numbers.

The Senate vote on a measure to protect the high-tech industry from Y2K computer damage suits and the gathering of the industry's corporate elite at the summit sponsored by the Republican-controlled Joint Economic Committee are designed to demonstrate the commitment of the GOP to the unfettered market forces so beloved by the chip makers, venture capitalists and software CEOs of ''the new economy,'' and to reveal pointedly to high-tech leaders the influence in the Democratic Party of one of their most feared adversaries, the trial lawyers.

The trial bar has filed numerous securities suits against the industry and its members are expected to unleash lawsuits over the expected breakdown of computers that have not been adjusted to deal with the date change on Jan. 1, 2000, popularly known as the Y2K computer glitch.

''This is one of the few segments of the business community that hasn't reflexively gone Republican,'' said Rob Atkinson, director of the Technology and New Economy Project of the Democratic Progressive Policy Institute. ''Now, the Republicans have started to wake up and say, 'We want the high-tech community to be ours.' ''

The high-tech industry is a significant source of political money. The Center for Responsive Politics estimated that the computer industry and its executives gave just under $9 million to congressional candidates in 1997–98, and early in the presidential nomination fights, Vice President Gore has raised an estimated $75,000 from the industry, slightly more than the $67,000 raised by Texas Gov. George W. Bush.

As, or perhaps more, important than the money, however, is the partisan competition to be on the side of a driving force in the national economy.

Rep. Thomas M. Davis III (Va.), chairman of the National Republican Congressional Committee and a leader of the GOP's high-tech drive, contends that high-tech executives realize that such ''vestiges of the old Democratic coalition'' as organized labor and the trial lawyers ''will not allow them [Democrats] to support high tech.''

In fact, the legislative record of both parties and of the Clinton administration on high-tech issues is mixed, with each taking stands for and against positions supported by the Information Technology Industry Council (ITIC), a group praised by both sides of the aisle.

In Congress, the GOP has a substantial advantage in its ITIC ratings. In the House, computations based on the ITIC's vote analysis showed Republicans receiving an average ranking of 69.7 percent, compared with the Democrats' 49.1 percent. The ratings were closer in the Senate: 83.9 percent for Republicans, 71.1 percent for Democrats.

The ratings were based on 1997-98 votes on securities litigation reform, Internet taxes, temporary work visas for skilled foreigners, ''fast-track'' trade proposals, computer export controls and encryption legislation.

Only votes on economic and regulatory issues were considered. Votes on social issues such as abortion, school prayer and pornography were excluded, since those have little bearing on the industry's bottom line. The libertarian tradition in the hightech community makes the religious right and the anti-abortion movement significant liabilities for the Republican Party.

Also, the development of sophisticated encryption and faster computers has put the industry in direct conflict with those seeking to restrict trade with potentially hostile nations, and with law enforcement officials seeking wiretap access to electronically transmitted information.

And the demand for technology-sophisticated workers runs head-on into anti-immigration forces in both parties.

In terms of partisan competition, Democrats are increasingly worried that the GOP's full-scale assault is likely to weaken the Democratic advantages among libertarian high-tech entrepreneurs.

Some Democrats have been stunned by the impressive collection of technology company executives who have joined a 72-member high-tech fund-raising committee for Bush. These computer industry leaders include America Online's James L. Barksdale, Cisco Systems' John Chambers, Intel's Gordon Moore, LSI Logic's Wilfred J. Corrigan, Applied Materials' James C. Morgan and Advance Mirco Devices' W.J. Sanders III.

Democratic conflicts pitting plaintiffs' lawyers against the technology sector will be thrust into the open when the Senate votes this week on legislation limiting corporate liability in Y2K damage suits, a measure backed strongly by the high-tech industry but opposed by trial lawyers.

That vote is expected to take place Tuesday, in the middle of the Joint Economic Committee's three-day summit. The sessions, put together by Republican Sens. Connie Mack (Fla.) and Robert F. Bennett (Utah), will provide a public forum to an extraordinary array of high-tech luminaries.

On Monday, those scheduled to testify include IBM's Louis V. Gerstner Jr., Intel's Craig R. Barrett and Federal Reserve Chairman Alan Greenspan. Day two will feature Microsoft's Bill Gates, Adobe Systems' John E. Warnock and Novell's Eric Schmidt. Wednesday will be the turn of Sun Microsystems' Scott McNealy, America Online chief technology officer Marc Andreessen and eBay's Meg Whitman.

Democrats are worried about the timing of the hearings and the Y2K vote, said Lisa Quigly, chief of staff of Rep. Calvin M. Dooley (Calif.), co-chairman of the New Democrat Coalition, which has strong ties to the technology sector.

''We are miles ahead of them [Republicans]; they don't have the relationships at all,'' Quigly said, but ''because some [Democrats] are not supporting Y2K [liability legislation], it looks as if Democrats are not for high tech.''

Democrats have made what they hope will be a preemptive strike that will take the edge off the Republican challenge.

Last week, House Minority Leader Richard A. Gephardt (D-Mo.), who has not had strong ties with the high-tech community, appointed a high-tech advisory committee headed by two Californians whose districts are centers of high-tech entrepreneurial activity: Reps. Zoe Lofgren and Anna G. Eshoo.

The Gephardt announcement coincided with a New Democrat Network-sponsored ''technology outreach'' day, which featured sessions with Microsoft senior vice president Craig Mundie, venture capitalist John Doerr, Dell Computer's Michael Dell and Hewlett Packard's Lewis E. Platt.

In what may prove to be a faint hope, Simon Rosenberg, executive director of the New Democrat Network, said that high-tech leaders are going to see the GOP drive this week as ''a very overt and clumsy attempt to catch up on high tech. But this challenge of which party is going to be the one that most adapts to the new realities and the new challenge is going to be with us for a long time.''

Mr. HOLLINGS. Here is the same: ''Congress Chasing Campaign Donors Early and Often'' about Y2K. That is from the New York Times, dated June 14. I ask unanimous consent to have that article printed in the RECORD.

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

[From the New York Times, June 14, 1999]

CONGRESS CHASING CAMPAIGN DONORS EARLY AND OFTEN

(By Alison Mitchell)

WASHINGTON, June 13—As campaign finance legislation languishes, Congress has gone on an allout funding-raising binge driven by the battle for control of the House, competition for money with the Presidential campaigns and an early push by incumbents to scare off challengers.

In a sign of just how intense the money chase has become, all four Senate and House campaign committees have, for the first time, created their own special programs to court and cater to donors willing to give them $100,000 in each of the two years of the 2000 campaign cycle.

Unabashed by the debate over President Clinton's use of the White House to court deep-pocketed donors in 1996, the committees are offering generous contributors an array of incentives, like access to party leaders, special issue briefings and meetings in lush locales.

In the case of the Democratic Congressional Campaign Committee, which is led this year by Representative Patrick J. Kennedy of Rhode Island, that even includes a weekend at the Kennedy family compound in Hyannisport, Mass., as close as it gets to a Democratic shrine.

''If we're going to raise more money,'' said Edward M. Kennedy of Massachusetts, ''we're going to have to do it in bigger chunks.''

The creation of the groups is a sign of how the 2000 battle for Congress is causing an escalation in the pursuit of so-called soft money, the kind of unrestricted contributions from wealthy individuals, corporations and labor unions that the parties have used to get around the post-Watergate contribution limits.

By law, an individual can give only $20,000 a year to the party committees to use for the direct purpose of electing a Federal candidate. So the bulk of these $100,000 donations would be considered of soft money, which can be used for activities like party building or advertisements advocating issues.

Once such money was largely the purview of the national political parties, not their Congressional arms. But last year the Congressional committees became more aggressive in pursuit of the money, and these programs show that they are now going even further. Previously the big-donor programs on Capitol Hill were tailored for the $15,000 and $25,000 contributor. (The Republicans had a $100,000 ''Majority '98'' program for the House and Senate elections last year, but divided the proceeds among several party committees.)

For those trying to stanch the flow of money into politics, these are bad omens.

''You've ended up with an absolutely 'anything goes' attitude,'' said Fred Wertheimer, an advocate of legislation, now stalled, that would ban soft-money contributions. He called the $100,000 groups a ''qualitative expansion of soft money.''

Representative Thomas M. Davis 3d of Virginia, the chairman of the National Republican Congressional Committee, says the Democrats are hypocrites for raising such donations because they have rallied around the bill to ban them while Republican leaders have firmly opposed it. ''The difference is they profess to oppose soft money,'' Mr. Davis said.

The Democrats say the will not disarm until the law changes.

''All of us are hoping for campaign finance reform, but we are also preparing for the worst'' said Senator Robert G. Torricelli of New Jersey, who as chairman of the Democratic Senatorial Campaign Committee is in charge of fund-raising and recruiting candidates.

The fund-raising flurry is driven in large part by an unusual political season in which not just the White House but the House could change hands. A few even argue that control of the Senate could be in play.

''It's impossible to predict which party will control which institution,'' Mr. Torricelli said.

The House and Senate committees are also pushing to raise money before they have to go into head-on competition with the Presidential race. And they want to show the kind of high-dollar strength that gives an air of victory and draws more donors. The committees are just as zealous in pursuit of the traditional donations for Federal campaigns as they are in seeking soft money.

''The stakes are high, whatever the outcome,'' said Gary J. Andres, a lobbyist who is working closely with the National Republican Congressional Committee to advise endangered Republicans and help them raise money. ''So I think you're going to see an expanded effort on both sides of the aisle.''

The fund-raising is particularly aggressive in the House, where a shift of just six seats in the next election could return the Democrats to the majority. Congressional leaders say the narrowness of the Republican majority is not only attracting more money for each party, it is causing some donors and interests to give to both.

It's a funny dynamic,'' Mr. Davis said. ''You have some people scared to death the Democrats will take the House and they will give you more. And there are groups that will hedge their bets. If they didn't think the Democrats had a chance they would probably just give to us.''

House Democrats are bluntly telling lobbyists and corporate interests with offices along K Street here that they had best take out some insurance should the Democrats take back the House.

Representative Kennedy said that Democrats in this cycle would be ''expecting much more from those who haven't traditionally been supporters of us but have been giving large contributions to our opponents and can't be expected to not at least meet us halfway.'' He said, ''They need to balance out the sheets a little bit.''

Through the first quarter of 1999, the House Democrats' campaign committee took in a record $6.8 million. By the end of this month, Democratic officials say they might reach about $14 million—what it took House Democrats the entire year to raise in 1997, the last comparable nonelection year. In three separate events last week, President Clinton, Vice President Al Gore and Hillary Rodham Clinton all appeared at fund-raisers for House Democrats.

The House Republicans' campaign committee will be posting its first contribution figures at the end of this month. But the Republicans say they beat the Democrats in the first quarter in traditional donations by 2 to 1, raising over $7 million, and also topped the Democrats in soft money. On June 23, Republicans expect to raise more than $7 million at a gala for both the House and Senate.

The Republicans traditionally bring in far more money than the Democrats.

The fund-raising drive is equally intense for individual candidates. Particularly in the House, any incumbent who could face a competitive race in 2000 is working overtime to raise as much money as possible by June 30, the next filing deadline for the Federal Election Commission. Almost every night there is at least one fund-raiser somewhere in the vicinity of Capitol Hill.

The election commission reports are used by political strategists and donors to judge the potential strength of candidates. And in many cases the size of these bank accounts can draw in more donors—or scare them away from a competitor, helping determine whether a strong challenger should jump into a race.

House Republicans are pushing incumbents who already face significant challengers or who drew less than 55 percent of the vote in 1998. The goal is to try to have $200,000 in each of their campaign accounts by the end of the month.

Mr. Davis of Virginia says he knows the importance of the June 30 filing deadline. When he was trying to decide whether to challenge the incumbent Democrat, Leslie Byrne, in 1994, he looked at her campaign bank account. ''She had only 25 grand in the bank and I said, 'Maybe I can do this,'' he said. ''If she had had $250,000 in the bank, I guarantee I wouldn't have run.''

House Democrats are trying to make sure that all their freshmen in seats that may not be safe have about $150,000 in their accounts by the end of the month. ''It's a real focused and intense effort,'' said David Plouffe, the executive director of the Democratic Congressional Campaign Committee.

In some cases the House Democrats say they have challengers lined up and are helping them, too.

Patrick Casey, who lost by a whisker to Representative Donald L. Sherwood of Pennsylvania in one of the closest House races of 1998, traveled to Washington last Wednesday for a fund-raiser where Representative Richard A. Gephardt or Missouri, the minority leader, helped him raise $50,000.

Congressional leaders have also joined the sweepstakes. Speaker J. Dennis Hastert, for example, is now spending Mondays, Fridays and weekends raising money for House members, hopscotching the country.

He plans to take a four-day tour of California later this month to try to raise $2 million at 16 events, most of it for House candidates. His aides say he has raised $5 million this year for candidates and the party.

Mr. Gephardt, who would supplant Mr. Hastert as Speaker if the Democrats were to win back the House majority, is also on the circuit. Last week he helped raise money for Mr. Casey and for Representative Carolyn McCarthy of Long Island, attended a Rhode Island event with Mr. Gore and flew home to Missouri to appear with Mrs. Clinton. He aides say that by June 30, he will have raised $4 million.

Representative Tom Delay of Texas, the majority whip, has mobilized his entire whip organization of House members to help the Republicans' 10 most vulnerable incumbents. In a program he calls Romp, for Retain Our Majority Program, he has asked these members to raise $3,000 each for each of the 10 incumbents.

And all the House Republican leaders have helped raise money for a new group called the Republican Majority Issues Committee, which is trying to raise $25 million to get out the conservative vote in critical Congressional districts.

The Democrats have called for an investigation of the group because it is not registered with the Federal Election Commission as a campaign organization or disclosing its donors.

Karl Gallant, an ally of Mr. DeLay, who is forming the group, said it was not required to register because it would not be endorsing candidates. ''We are not giving money to candidates,'' Mr. Gallant said. ''We are going to be an independent committee that will educate voters on where candidates stand on conservative issues.

Mr. HOLLINGS. You think it is not timely on money? Here at 2 o'clock this afternoon an article was printed regarding Governor Bush. I guess have to be more respectful. He is liable to be President. It reads, Governor Bush—''At a breakfast this morning Bush gets big support from Silicon Valley.'' He got all the executives out there. He just pledges all these things, I am telling you right now, way better than the distinguished chairman. And the distinguished chairman is pretty good.

I ask unanimous consent to have this printed in the RECORD.

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

BUSH GETS BIG SUPPORT FROM SILICON VALLEY

(By Alan Elsner, Political Correspondent)

PALO ALTO, CA (Reuters)—Republican presidential front-runner George W. Bush's money-raising juggernaut roared through Silicon Valley Thursday, drawing support from a stellar list of high-tech industry titans.

Bush, the governor of Texas, has smashed all previous records by raising more than $36.3 million in the first half of the year. He began the second half with a fund-raising breakfast that had been expected to bring in an additional $300,000 but seemed likely to far exceed that estimate.

''This is not my first trip to this incredible land called Silicon Valley. This is my first trip as president of the United States,'' an elated Bush said, before quickly correcting himself to say, ''As soon-to-be president of the United States.''

Among the executives there to greet him were Cisco Systems chief executive John Chambers, Microsoft executive vice president Robert Herbold, Oracle Corp. (Nasdaq: *ORCL—news*) president and CEO Ray Alen, Intel Corp. (Nasdaq: *INTC—news*) chairman Gordon Moore, eBay president and CEO Meg Whitman, Hewlett Packard president Lew Platt and Charles Schwab, chairman and CEO of the stockbroker company that bears his name.

It was a highly impressive turnout from a region that Vice President Al Gore, who may be Bush's Democratic presidential opponent in next year's election, has been courting for years. But Bush had already raised more money from Silicon Valley than Gore in the first three months of this year.

Executives said they were attracted by Bush's program of supporting innovation, breaking down trade barriers and removing government regulation.

''The governor has strong support from the high-tech industry that is driven by ingenuity, innovation and the free enterprise system. It's great to have a candidate focused on those fundamentals,'' said Herbold.

Lane added: ''This industry needs support from government to continue growing and the Republicans and Bush have been more supportive of business aspects of building this industry.''

Bush, who leads the field for the Republican presidential nomination by a wide margin and has a 10 to 20 percentage point advantage over Gore in recent polls, said the attendance of so many prominent executives at his fund-raiser sent an important message that would be noted all across the country.

In his speech, Bush pledged to ''take the side of innovation over litigation every single time'' and put forward a number of general ideas of what he might do as president.

He said he would reduce the threat of massive litigation arising from the Year 2000 computer bug known as Y2K. He gave grudging praise to President Clinton, who this week struck a compromise with Congress to limit liability awards.

Bush has promised to fight for meaningful tort reform to limit lawsuits against business, a favorite Republican theme. He also proposed making the Internet a duty and tariff-free zone worldwide and promised to combat theft of U.S. intellectual property.

Bush said he would loosen regulations limiting the export of civilian computer technology while still protecting militarily sensitive technology.

He also proposed a permanent tax credit for research and development. Currently, the credit, worth about $2.5 billion, needs to be renewed annually by Congress.

Bush's unprecedented fund-raising prowess has led some commentators to predict the race for the Republican presidential nomination is virtually over before it has begun. Only publisher Steve Forbes, who can draw on a vast personal fortune, will be able to come close to matching Bush's financial resources.

Of the other Republicans, Arizona Sen. John McCain has a war chest of $6.1 million and the rest of the field is under $3.5 million. Bush also outpaced Gore in fund raising by two-to-one.

Mr. HOLLINGS. So the record is made with respect to money. Ordinarily, we have the rule—I want to be within the Senate rules of the dignity of the body. But we have to get to the reality. No one is asking for this except those in the money chase. And, yes, it is bipartisan. There isn't any question about that.

But this is a shabby performance. It is a sad day in the history of the Senate. Now what really occurred when we went into that conference is that the House receded to the Senate except for a minor amendment. We voted on it. Then they started negotiating on the fix, so as to ensure everybody was on board. They knew they were going to get a bill. The Senator from Connecticut then made the call to the President after midnight. I thought the only person who could get the President after midnight was Monica.

The White House sent five veto letters. Yet, the President plans to sign the bill, notwithstanding.

How emblematic of this administration. We fought like tigers to get this economy going with the 1993 budget. We cut spending. We raised taxes. We did away with 300,000 Federal employees. We got the economy going even though we could not get a single vote on the other side.

Then later, of course, the President joined the other side, went down and threw all of his friends in Congress overboard saying we taxed them too much. Then we had GATT. Then we had the NAFTA with Mexico, and he threw his labor friends overboard. Of course, that has been an abomination.

You cannot get to reality. They said it was going to increase trade. We went from a $5 billion-plus to a $20 billion-minus deficit. That was going to pay the Mexican worker better. He is taking home 20 percent less pay. It was going to solve the immigration problem. It is worse. It was going to solve the drug problem. They have a narcodemocracy down there.

But the President threw that crowd overboard. Now he throws overboard the consumers, middle America, after five veto messages on a much worse bill.

The Senator from Vermont is right on target. There isn't any question, when they put out this sheet here—even from my side—in the policy committee meeting there at lunch: How the conference report improves on the Senate-passed bill proportionate liability, even though they rejected Senator KERRY's proposal to place the burden on the defendant. They put the burden on the plaintiff. Individual consumers supposedly are carved out of proportionate liability, that is if they are not part of a class.

If by chance they are part of a class, their suit is automatically removable to federal court, in the event the claim seeks punitive damages. The President said he would never federalize class actions. They claim the bill preserves the authority of states to void contracts. But I can list a number of contracts that would be illegal under State law but would be enforceable under the conference-reported bill. So contracts which were entered into on a fraudulent or unconstitutional basis would still be enforced.

I will never forget the distinguished Senator from North Carolina; he tried to instruct the Senator from Oregon on economic damages.

I will give you the case. The client comes in. I am an old-time lawyer, and I represent clients. You have to tell them the truth. The poor client comes in and says: Hollings, I've got a $10,000 computer I bought last year, and now it's after January the first, and it has crashed. It is not Y2K compliant. They told me it was going to last for 10 years. I want you to bring my case.

I said: Wait a minute. They have to understand you have 90 days to wait around even though there is no duty to fix. The Senator from California, Mrs. BOXER, offered an amendment to require a free fix—that was in response to the Senator from Oregon's lament about fix the problem, fix the problem, just fix the problem. Well, that is exactly what were attempting to do. We said: Let's get rid of the lawyers. We will fix the problem. Yet, they would not accept that in the conference report.

So I say to the prospective client: In that 90 days nothing is going to happen. Then I have to investigate in great detail because on proportionate liability I do not want to find that the parquet from Hewlett-Packard was made in India and thus discover that I should have gone to New Delhi instead of Hartford to bring this case. I have to then file the pleadings. I have to thereupon get in with the interrogatories, attend all the discoveries because that is the billable-hour crowd.

You do not have money for billable hours obviously. This is middle America. That is how they get their day in court. So I will attend the interrogatories. I will conduct the trial, and I will handle the appeal.

By that time, you will owe me over $10,000. Now do you really want me to bring this case, considering you can't get any economic loss? I know you said you had to let two of your employees go because you could not pay them during all this time that it has been down. I know you have a loss of business. I know you have lost your reputation and everything else of that kind. But there is no economic loss.

The distinguished Senator from North Carolina is the best in the business. He will elaborate on that particular point. But that, more or less, gets rid of the lawyers. There never has been anything really for Y2K cases for attorneys. But to come in here now and say it does that, it is just shocking that we have just done away with middle America. The civil justice system has been permanently damaged. The very system that supports our Democratic society and consumers. That is why I stand here, for the consumers of America, for middle America, for those who cannot employ a trial attorney.

I go right to that White House and why they changed, because the best story that came out was in the New York Times. I think it is dated just yesterday, June 30. It has this statement in here, that the Vice President, as he begins his campaign for the Presidency, was eager to rid himself of the ''taint'' of financial support from trial lawyers.

No. 1, try to get some money out of that trial lawyer crowd, hard money. It is limited to $1,000. Soft money, let's go to Silicon Valley. There is Bush. He is there this morning, the Governor. This is the soft money bill. That crowd, he has $36 million. He has more than GORE, the Vice President, the President, and Bill Bradley all put together. One fellow has it. He can get that money. They know where to get soft money.

I can't get much hard money out of that trial lawyer crowd. I want more from them, I want them to know. I have publicly stated that on the floor. But they don't have soft money.

But the ''taint'' is the one I take exception to, because I am proud to be associated with trial lawyers. They are in there, down in the pits, on the front lines protecting middle America. All I hear in this Congress is about middle America—taxes, taxes, taxes. How about rights, rights, rights? They don't have the money for billable hours.

A crowd such as we have up here in this Washington group, all the lobbyists, I am glad they put that list—is that the billable hour list the distinguished chairman just handed in for the record?

So with the billable hour list, sure, they are lazy. They don't try cases. They continue cases. They go to the golf course. The clock runs and they send the bills. But you have to produce if you are a trial lawyer or you don't get anything. You take on all the expenses.

This is a system that has worked for over 200 years at the State level. All the State authorities now are opposed to this Federal adulteration, but they are talking about how they are looking out for consumers and a victory for America and those kind of things.

I am particularly shocked at my Republican chairman who has led the fight on campaign finance reform. I worked with him. I have a bill in for a constitutional amendment to try to legalize, if you please, the 1974 act before it was made unconstitutional by the Supreme Court of the United States. In one line: The Congress of the United States is hereby empowered to regulate or control spending in Federal elections. Once we do that, we go back to the 1974 act, do away with the soft money, everything on top of the table, and we are limited on the amount of money—we, candidate—we are limited on buying the office. But the money to buy the office is bad enough when the money goes so far as to buy the principle. That is a shocking thing to me. If there is such a thing as campaign finance reform, then in the name of campaign finance reform, kill this conference report, because this is an abortion. There isn't any question in my mind. It is way worse than we have ever had in any particular measure.

I want to say one word about the software industry, because I have worked in the Congress over the years with that particular industry, but they are learning a bad lesson now. They are learning they can buy anything, because they can change around State law, just them.

I have been up here, 32, now going on 33, years. We have never done this for any special group. Here they agree something could be fixed in 90 days. That is the provision in the bill.

We are giving them still—you have July, August, September, October, November, December, almost 6 months to still get it fixed, rather than 90 days. But they come in and demand this, when they now really are trying to demand everything.

Everybody ought to know that the Internet was started by the antigovernment crowd, free market, free market. After we developed the Internet in 1968, with Dopper, thereupon, there came, later on, in the middle of the 1980s, none other than the best of the best, President Reagan. He gave a voluntary restraint agreement to the semiconductor industry because they were going broke. Intel had given up one of their particular display chips, if you remember. They were going out of business. They hung on, and we instituted Semi-Tech. When I went into the Intel plant in Dublin, Ireland, the manager there, Mr. Frank McCabe, said: Senator, we would have never had all of this if you hadn't put the $500 million in Semi-Tech. That is government.

They are all talking about pork, pork, pork. I want to emphasize the pork about which my distinguished colleague always talks. We gave them that particular pork, and now they have come to town and they want estate tax cuts. They want the capital gains tax cut. They want to do away with taxing the Internet. If you buy something on Main Street, America, you have to pay the sales tax. But if you buy it on the Internet, there is no tax. It is a free ride. Don't tax the Internet. And by the way, don't hold me liable. Let's legalize negligence. Let's legalize fraud, with this particular bill, and then just repeal the tort system.

This is a sad day for the Senate to come here with this particular conference report and talk in terms of a victory for America. It is a real bad setback by the White House, the leadership—not on the House side, I can tell you that. We have struggled over this thing. I tried to hold it up as much as I could, but the die has been cast.

I will retain at this particular point the remainder of my time.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Connecticut.

Mr. DODD. Mr. President, I don't think I know where the Senator from South Carolina stands on this issue, having listened to his eloquence. I disagree with him about this bill, but he is a wonderful Member of the Senate and a good friend. I always enjoy being a witness to his eloquence here on the floor of the Senate, even when I may be the object of some of that eloquence, along with my capital city of Hartford, CT.

Let me begin by saying I support this conference report. I commend the chairman of the committee, Senator MCCAIN, for his fine work. There was a tremendous amount of pressure on him last week. There were some who wanted to get this done about a week ago, with the hope there would be a veto. I guess they may have seen some political mileage if the bill had been vetoed.

That would have been a victory in the minds of some. He willingly allowed us to have the weekend and the following few days to try to work out differences.

None of us knew whether we would succeed. Frankly, we weren't very optimistic we could work out the differences, given a lot of the rhetoric associated with this bill. The fact that we were able to spend some time at it and see if we couldn't find common ground, I appreciate very much. I know most of the Members of this body and others do, as well.

I also want to commend my colleague from Oregon, Senator WYDEN, who did a very fine job. We worked very closely on this to try to find some language and some provisions which would build broader support for this legislation. Also, I want to recognize the efforts of a number of our colleagues whose support was also instrumental in the successful completion of this conference report: Senator GORTON, Senator HATCH, Senator FEINSTEIN, my colleague, Senator LIEBERMAN, and Senator BENNETT, with whom I serve on the special committee on the Y2K issue, which was established by the majority leader and the minority leader, Senators LOTT and DASCHLE, about a year and a half ago, to look at the issue of the Y2K problem.

We have had some 22 hearings in that committee, examining all aspects of our society—government, the private sector, nonprofits, hospitals, telecommunications, transportation, utilities, financial markets—to determine to what extent this computer bug may affect people in this country and elsewhere. I think I can say with some degree of certainty that we think, at this juncture, things should not be too bad. A lot of work has been done at all levels in our society, from local communities to the States and the national government, to try to fix this problem so it doesn't cause the kind of disruptions that many thought could occur. But I can't stand here today and tell you we can say with absolute certainty there won't be disruptions and problems. There will be some. We just hope they aren't going to be as significant as some have predicted.

One of the areas we were asked to look at is the potential for widespread litigation, the rush to the courthouse. It is no great secret in this country that we have become tremendously litigious; we like suing each other. It has become a problem that has grown over the years. Anybody who has been around certainly knows the statistics and the numbers that tell of the rush to solve every problem by a lawsuit. Certainly, I will be the first to recognize, as a member of the legal profession, that without an active and vibrant legal profession, a lot of consumer rights would be lost in this country. You need that. It can't all be done by the Justice Department, the Securities and Exchange Commission, or other agencies at the federal, State and local level. You need a vibrant private bar. That is essential.

But it also has to be one that is tempered. You have to recognize certain fact situations as they occur and determine whether or not there may be a better way of trying to resolve some of these difficulties.

That is what this bill is really all about. I will start out by saying it is a 36-month bill. This bill sunsets; every provision of this bill dies after 36 months. We are not writing something in concrete or marble here that is going to last in perpetuity. For 36 short months, this bill will exist.

During that period of time, of course, we will learn whether or not we are going to have as widespread a problem with this Y2K computer issue as some have anticipated. If we don't, then this bill really isn't that important. I hope that will be the case. Nothing would make me, as one of the coauthors of this bill, happier than to find next January, February, and March, that all of the fears that have been raised by the Y2K issue turn out to be nothing more than that—fears—and that there would be no reason to litigate or to take 90 days to try to resolve the problems. If that is the case, then the bill will last for 36 months, but it won't have any significance.

If, however, there are problems that go beyond what I think will be the case, we could end up with people racing to the courthouse to litigate the issues rather than trying to solve the problem. If businesses are spending money on legal fees rather than trying to spend money on technicians and others to solve the problem so that the users of their equipment will be made whole, then we could end up having the Y2K problem be a lot more serious than I think it is apt to be.

This agreement, this conference report—even if you had no idea what was in it, I think you would be safe to conclude that it is probably a good one, for one basic reason: no one is fully satisfied. Everyone had to make concessions in this proposal.

It is not perfect, by any stretch of the imagination. But that should not obscure the fact that it is an outstanding achievement, in my view, arrived at in a manner that is bipartisan, bicameral, and in cooperation with the executive branch.

It is narrowly crafted to address the repercussions of an event that will only happen once in history: the changing of the calendar, 183 days from today, to the new millennium. We don't know, as I said, with precision what the repercussions will be. We hope and trust that, for our citizens, they will be minimal. But we know there will be repercussions, affecting virtually every facet of our lives, from energy to health care, from food to telecommunications.

We will encounter problems associated with the Y2K glitch. And in America, where there are problems, lawsuits are never far behind. The Y2K committee, as I mentioned earlier, which I cochair with Senator BENNETT, heard hard evidence that some members of the trial bar have been gearing up for quite some time to usher in the new millennium not with a celebration, but with a subpoena. By some estimates, they will file claims totalling $1 trillion or more.

While some of these suits will have merit, many, I am fearful, will not. They will become vehicles for profit by select members of the trial bar, not to rectify wrongs done to consumers or to businesses.

Ultimately, an avalanche of frivolous lawsuits seeking to reap a bonanza from this Y2K problem could have a crippling effect on our economy, especially on the technology-based businesses that are creating the lion's share of new jobs in our Nation today.

This bill would slow the knee-jerk rush to the courthouse. It says to those who would seek litigation as a first resort: Look before you leap. It focuses businesses and consumers on fixing the problems, not fighting over them, and getting on-line, rather than getting in line at the courthouse. It encourages them to resolve differences in a conference room, not a courtroom.

This conference report is narrowly crafted to address frivolous Y2K-related litigation, and only frivolous Y2K-related litigation. Its carefully circumscribed scope was acknowledged —albeit reluctantly—the night before last by Mr. Mark Mandell, president of the Association of Trial Lawyers of America. He had this to say about the conference report:

> It is positive that this unique response to a unique situation will be law for only three years and that the legal rights of anyone who suffers a physical injury are preserved.

I commend him for the responsibility of that statement. He is the head of the trial lawyers in this country. I quickly add that he is not endorsing this bill; he disagrees with it, but he has framed it right. It is a unique answer to a unique problem that, for 36 months, we want on the books to avoid the potential problems that can affect our society.

These are two important points that deserve to be restated:

First, as I said, this is only a 3-year bill. It works no permanent changes in our legal system. Second, it completely and totally exempts consumers who allege they have suffered physical injury as a result of a Y2K failure.

In addition, the conference report contains several other responsible and modest provisions that weed out frivolous lawsuits, do no injury to tort law and, most important, allows America's businesses to continue to create jobs.

This bill establishes a 90-day period before a suit can be filed to at least

create an opportunity for the parties to remedy the defects and avoid expensive, time-consuming litigation.

We are not going to guarantee the problem will get fixed in that 90 days, but it will sort of call a timeout for 90 days, 3 months, to try to solve the problem. That is not a radical idea. It is not a radical idea at all to try to get people to work out their differences. That may be a radical idea if your motivation is to get to the courthouse as fast as you can. To that crowd, it is a radical idea. But to the businesses and consumers who would like to be made whole and have the problem fixed, having a cooling-off period for 90 days as we try to solve this problem is not asking too much in a 3-year bill.

The bill also requires plaintiffs to plead with particularity about the nature of the harm allegedly done to them, and the monetary amount of damages they are seeking as a result of that harm. That is another ''radical'' idea—that you have to allege with some specificity what caused the problem. I know that is a bad idea if you would like to sort of use boilerplate language and race to the courthouse. If you are a defendant, you ought to know what you are charged with, what the plaintiff thinks you have done wrong. That ought not to be a great radical deviation from the norm. For 36 months, we are going to require that. That ought to be permanent law, in my view, but in this bill it lasts only 36 months.

The bill also prevents plaintiffs from recovering damages that they could have reasonably and foreseeably avoided. Another radical idea. To discourage plaintiffs from suing the so-called ''deep-pocket'' defendants, the bill establishes a rule of proportionate liability.

As a general matter, it holds the defendant responsible only for the harm it causes, and not for the harm caused by other defendants. Again, what a radical idea that is. If you are fractionally responsible, they would like you to have to pay the whole tab. Again, I appreciate their desire to do so. So you shop all around, and, if you can find anybody with deep pockets who may have handled the box for 5 minutes, then you can get them in a court, and, boom, you can hit them for the total amount.

That is what has caused as many problems as anything else—the lack of proportionality and balance.

At the same time, we don't allow that provision of proportionality to apply across the board without exception. We make several reasonable exceptions in the interest of fairness.

Plaintiffs who sue as individuals, rather than as members of a larger class, may recover jointly and severally from any defendant, even if they are marginally involved, thus helping to ensure that individual consumers will fully recover damages.

The bill contains other provisions to ensure that irresponsible, reckless, or intentionally wrongful defendants are in no way shielded and are fully responsible for their actions. Defendants that commit intentional torts will be held jointly and severally liable, even if only fractionally, including for economic losses.

In addition, defendants who knowingly make false statements about the Y2K readiness of their goods or services may not seek mitigation of damages when plaintiffs rely in good faith on such statements. That is yet another consumer protection contained within this conference report.

There are still other improvements that have been made here, largely at the behest of the Administration—improvements, which, in my view, strengthen the legislation. For instance, the class action provisions. Members of a class of under 100 people, and with claims under $10 million, can stay in State court.

We made change after change to accommodate the concerns that were raised—many of them reasonable concerns, I might add—to make this a stronger and a better bill.

We are trying to avoid frivolous lawsuits for 36 months. We are trying to solve the problem. I again want to thank the committee chairman and other colleagues who have played such an important role.

Lastly, I thank this President of the United States. When I saw the President—not at 1:30 in the morning, but he was in my State last Monday—I mentioned this bill to him in a conversation that may have lasted 1 minute. I said: We will have the Y2K issue up in the next day or so. The President said: I would like to sign a bill. I think it is important to have one. But there have to be changes in this legislation before I can sign it. If you can get those changes and work with our staff, I will take a look at it.

That is not an unreasonable statement for an American President to make on an issue like this that confronts our country in 183 days. We went to work that night and worked on these changes. It was late in the evening.

When I, along with my colleague from Oregon, submitted the final proposal to the President of the United States, he said, to his credit: If you can make one more change in this particular area, then I think I could support this bill.

That is how this happened.

He is being ridiculed today because he tried to get a bill done to do something about a problem that affects, or will affect, or could affect, millions of people in this country. He ought not be ridiculed. He ought to be commended for it. Yes, he could have caved in and gone along. I know a lot of his staff and others didn't want him to sign this bill. But this President went to work, and he listened to the proposal. He made some suggestions, and he said: If you can accommodate or meet me part way here on some of these ideas, then I would be willing to sign this bill into law.

As a result of those efforts, he could have said to me on Monday afternoon: I am sorry, there isn't anything you can do with this bill; I am just flat out against it. That would have been the end of it, frankly. I wouldn't have stayed up half the night trying to work out differences. But he said try. We did. And we reached that level of support, or a level of achievement which he thought he could support, and that brought us to the point of getting this legislation done.

Again, there is nothing perfect about it. I am fully aware that there may be some problems with it down the road. I think this is a good effort to try to minimize those difficulties, to avoid lawsuits and solve the problems, and make this country stronger when it comes to the interest of the 21st century.

Let me again thank my colleagues who persisted in their efforts to reach this point. I also want to recognize the staff who were so instrumental in bringing us to this point, particularly: Marti Albright and Mark Buse of the Commerce Committee; Manus Cooney and Larry Block of the Judiciary Committee; Jeanne Bumpus with Senator GORTON; Robert Cresanti, Tania Calhoun, and Wilke Green of the Year 2000 Committee; Carol Grunberg with Senator WYDEN; David Hantman with Senator FEINSTEIN; Laurie Rubenstein with Senator LIEBERMAN; and Steven Wall with Senator LOTT.

I thank my colleague for yielding, and I urge adoption of the conference report.

Mr. HOLLINGS. Mr. President, I yield such time as necessary to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EDWARDS. Thank you, Mr. President.

Let me say, first, that there are two very important reasons that this has been an extraordinarily difficult issue for me. The first of those reasons is that I have extraordinary respect for the Senator from Arizona, the Senator from Connecticut, and the Senator from Oregon. They are friends of mine. They are good Americans. They are good people. They care about this country. They care about it deeply. I don't question their motives for one moment. I believe they are doing what they think is right.

The second reason is that I began this process myself desperately wanting to support some kind of Y2K bill.

The problem with the way the debate has been conducted is that the focus of

my colleagues from Oregon, from Arizona, and from Connecticut has been on things we all agree on. We all agree—speaking for myself—that we should create incentives for computer companies to solve these problems, that we should create incentives for people who buy computers to work with those folks to solve problems, and to mitigate whatever damage or loss they may sustain.

We all believe there ought to be a cooling-off period. At least I believe there should be a cooling-off period. I do not think we want folks rushing to the courthouse the first time a problem rears its ugly head. I think we should have reasonable, thoughtful alternative dispute resolution.

I think all of those things are good things. They are laudable. They accomplish important goals. They are things I support and believe in. On those subjects, and on the subject of preventing frivolous litigation, I am totally in agreement with my colleagues who support this bill.

The problem is, we are not focusing on the single, most fundamental problem in this bill, which is that in 99 percent of the cases small businesses and consumers who suffer losses as a result of an irresponsible act by a computer company in respect to Y2K can recover nothing but the cost of their computer. They can't recover their lost wages. They can't recover their actual lost profit. They can't recover their overhead. If they are run out of business, they are just stuck.

Unfortunately, what we have here is what I am afraid happens too often in Washington. The little guy loses, and the big guy wins.

There is no question that the computer industry has a powerful voice in this body. The people who are going to be damaged and hurt by this bill don't even know it yet. They largely are completely unaware of it. The small business men and women of this country and consumers in small towns all over North Carolina and across the United States don't even know that they are going to suffer losses, that they are going to be put out of business. They do not know that. My question to my colleague is, Who speaks for them?

We have heard the voices loudly, clearly, powerfully, and articulately for powerful, big business. There are many things I will support industry on that I believe are in the best interests of America. The problem is, the people who are going to be injured by this bill, the people who are going to be put out of business, the people who by all accounts—my colleagues from Oregon and Connecticut have just conceded—will have real and legitimate losses, who speaks for them? I am afraid the answer is that no one speaks for them. They don't give big money to campaigns. They don't even know what is going to happen to them yet. They are out there and are innocent victims. Who is the voice for the little guy in this debate?

These losses we have talked about—I am eliminating frivolous lawsuits, I am eliminating causes that ought to be resolved, things that ought to be resolved by discussion between the seller and the buyer, all of those things that we are all in agreement on—I am talking about that little business guy or woman in Murfreesboro, NC, who bought a computer believing that it was Y2K compliant, having been told that it is Y2K compliant, and the computer is not Y2K compliant. They lose their business. They have lost thousands and thousands of dollars, and they are literally out of business.

That loss—no matter what we do in this Senate, no matter what we do in this Congress, and, with respect, no matter what the President signs in the Oval Office—that loss will not go away. It will be there, and it will not disappear.

There is a fundamental concept we all have to recognize when we come to the well later today to vote. Those who vote for this bill have made a conscious decision. As long as we are willing to recognize that decision, I will respect the vote. That decision is this: We have made a conscious decision that losses—which are real and legitimate, out-of-pocket losses suffered by small business men and women all over this country—that losses are going to be shifted. We are going to move them from the responsible party to the innocent party. In this case, the innocent party is a small business; is a consumer; is somebody who cannot pay their employees anymore; is somebody who has no cash-flow because their manufacturing operation has been shut down because of a Y2K problem.

The bottom line is this: We are making a judgment on the floor of the Senate that those real and legitimate losses which everyone concedes are going to occur—that is the ''nut'' of this. Everything else we agree on. I agree with my colleagues about eliminating frivolous lawsuits, about alternative dispute resolution, about cooling off periods, about trying to do everything in our power to solve these problems. The nut of this problem is, what happens to the little guy who suffers a real loss?

When this conference report passes on the floor of the Senate later tonight, we have made the judgment that we will shift that loss. We are going to shift it on to the people who have no voice, who don't even know they are victims. They are not sitting in our offices. They are not sitting there because they don't know they have been hurt yet. We are going to shift the loss to them. We are going to make sure it stays right with them. We are going to make sure that multimillion-dollar and multibillion-dollar businesses bear as little of that loss as possible. That is exactly what this bill does. It is that simple.

For all of the rhetoric on the floor, it is not about lawyers. It is about the people who make computers. It is about the people who make computer chips. It is about the people who buy computers. Those are the parties to this transaction.

The bill that came back from conference is worse than the bill that went to conference. It is worse for a very simple and fundamental reason: It creates multiple additional roadblocks to innocent people who get hurt by the Y2K problem. A job that was already extraordinarily difficult, for them to recover for what happened to them, has become almost impossible at this point.

I say with complete respect to my colleagues who have argued vehemently on the floor that this is a 3-year bill, that it will sunset in 3 years, and for that reason it is not bad, that the argument is a smokescreen. Every Y2K problem that will come into existence will happen during that 3-year period—99 percent. By its very nature this problem will show its ugly head in the year 2000 or the year 2001. Essentially, we are going to cover every single Y2K problem that can come into existence.

One bit of language that has been referred to in the bill that proponents claim helps improve this report over the Senate-passed version has to do with the issue of recovery of economic losses such as lost profits, lost overhead, lost income. A phrase reads: ''A party to a Y2K action making a tort claim other than a claim of intentional tort''—up until then it is fine—''arising independent of a contract.''

I have spent the last 20 years of my life as a practicing lawyer. This is what that phrase means. If a computer person walks into a small business anywhere in this country and makes a fraudulent misrepresentation, intentionally misrepresents the Y2K compliance of their product, lies, commits criminal fraud, and induces somebody to sign a contract on that basis, and in fact, if the contract itself contains fraudulent misrepresentations, what that person can recover is the cost of their computer.

They are victims of criminal fraud. I want the American people to hear this. They are the victims of criminal fraud. What they can get back is the cost of their computer.

This bill started with a good purpose. It is supported by Members of the Senate whom I have extraordinary respect for. I absolutely have no question about their motives. They are doing what they believe is right. They have made beautiful cases for it on the floor of the Senate. My concern has been and continues to be that there is a voice

that is not being heard on the floor of the Senate. It is the voice of the victims; it is the voice of the consumers; it is the voice of the people who don't know yet that they are going to be put out of business. It is the voice of people who don't know yet that they have been lied to or misrepresented to, been induced to sign a contract under the specific language of this bill.

As a result of this bill, they can recover absolutely nothing but the cost of their computer.

It is wrong. It violates every concept of justice that exists in the United States and has existed for the last 200 years.

We can do the things that my colleagues want to do: Get rid of frivolous lawsuits, induce people to solve these problems, get people to work together, not go into court. We can do all those things, and we can accomplish those things. But we can do it without gutting the right of the little guy who has a real and legitimate claim and has suffered a tremendous loss, been put out of business, without taking away that very fundamental right.

Those people are going to be sitting in our offices. So I have one last question to my colleagues: When those men and women are sitting in your offices in February, March, and April of the year 2000, saying: I have been put out of business, who do I go see? Who do I go see about this? I am out of business. Computer people made fraudulent misrepresentations in my contract. They were reckless in the way they made their product. I never knew it. I am out of business.

They are sitting on our couch in our offices, and they look in our eyes and say: Who do I go see about this problem? Maybe some of my colleagues have an answer to that question. Unfortunately, I do not.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I have only been in this body for 13 years. I have never heard quite such a mischaracterization of legislation as the Senator from North Carolina just displayed.

I yield 5 minutes to the Senator from Washington.

Mr. GORTON. Mr. President, the success of legislation in a matter of considerable controversy in our society is always built upon the foundation of compromise. This relatively short debate on the final passage of H.R. 775 is a perfect example of that compromise. The Senator from Oregon, who was so responsible for the final form of this bill, listed all of the changes that he required in order to approve of this legislation. The Senator from Connecticut spoke eloquently of the way in which he worked with the administration to change a ''no'' into a ''yes,'' and make this legislation a reality. My very good friend, the chairman of the Commerce Committee, the Senator from Arizona, spoke of the fact that both the original House bill and the original Senate bill were much more sweeping and much more decisive in dealing with this Y2K problem. He deserves an extraordinary degree of our thanks and our admiration for working constantly and tirelessly toward a successful conclusion, even though that conclusion is not something he regards as wholly satisfactory.

I fall on his side of that debate. I think we should have done much more. I am, in fact, a radical reformer in this whole litigation field, whether it is this narrow issue or the broader issue of product liability or medical malpractice or the questionable utility of punitive damages in civil litigation. I would go much further than this bill does. But what we have done is to bring people together to solve a problem in a way that we can deem a success, all the way through to the signature of the President of the United States.

During the last 20 years, our society and our economy may have changed more dramatically than in any other similar period of history. We have become a computerized information society, due to the very technological developments that resulted in a Y2K challenge. But the Senator from North Carolina claims to speak for the voiceless. They are not voiceless. They played a major role in this debate. The coalition that has wanted far stronger legislation than this does, of course, consist of software and hardware companies. But it also consists of the great bulk of the representatives of the customers of those companies. The National Federation of Independent Business is the largest single organization of small business in this country. It favors this legislation. It favors legislation stronger than this. So whoever the Senator from North Carolina was speaking for, it was not the small businesspeople who do not look forward to a blizzard of litigation on this subject.

Of course, in retrospect, this new technology might have thought about the Y2K problem earlier than it did. But at this point, our goal should be a solution to the problem, not a blizzard of second-guessing litigation, especially litigation that will almost certainly slow down the future development of the very technology that has been so responsible for the growth in the American economy and has caused such significant changes for the good in the lives of people all around the world.

This bill is by no means perfect. In the view of this Senator it lacks that perfection because it is not all-encompassing enough. It is, however, at least a modest step in the right direction, one supported not only by the technology companies that are responsible for the computer revolution but by their customers and consumers as well.

So with my colleagues on both sides of the aisle, I can wholeheartedly recommend the passage of this legislation to the Senate and look forward with satisfaction to the President's approval of this bill.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, once again I do not yield from the statement made that this has been one shabby charade. I intended to, and did, take the President to task, and I do so. You don't send five veto messages and then come with a sorry bill, a worse compromise. It is obvious. You can look at it on the face of it. It did not take care of the consumers. Senator LEAHY tried to. It was what we adopted in the Congress last year, in the securities bill, in the other measure; we always take care of the consumers. But here the one group penalized, sidelined, damaged, if you please, are the consumers of America.

I ask unanimous consent to have printed in the RECORD the letter from Public Citizen, opposing the bill, opposing this report.

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

PUBLIC CITIZEN,
Washington, DC, June 24, 1999.

PLEASE OPPOSE THE SENATE Y2K IMMUNITY BILL

DEAR REPRESENTATIVE: On behalf of Public Citizen's 150,000 members, we thank you for your vote against passage of H.R. 775, the Y2K immunity bill. We urge you to continue to stand up for consumers and small businesses by voting against the Senate-passed version of this unfair legislation if it is brought to the House floor. Although this measure is somewhat ''less extreme'' than the version of the bill that you opposed when the full House voted on this measure last month, the Senate bill is also sweeping in scope, and its effect on individual and small business consumers will be virtually the same as the House bill: it will make it next to impossible for those with legitimate Y2K claims to seek full and fair compensation in state courts.

Both the Senate and House Y2K bills bestow special legal protections upon companies responsible for manufacturing and selling technology products and computer systems that will not work in the Year 2000—even to those companies that knowingly sold Y2K defective products within the last few years, and even to those that are still selling defective products and systems today. This kind of blanket protection from accountability is unfair and unwise. Not only will these bills preempt important consumer protections under state law, they are likely to undermine Y2K readiness by sending a message that Congress will not allow companies to be held accountable for their acts and omissions. They will lead to more Y2K failures and injuries, not fewer.

The Senate bill has not all, but many, of the same kind of extreme provisions that made the House bill unacceptable. For example, the Senate proposal contains:

A mandate that, to receive punitive damages at all against any defendant—even a

huge corporation—a plaintiff must prove applicable state law standards for punitive damages by clear and convincing evidence—a higher burden of proof than is required under many state laws; this provision would make it harder to hold the most irresponsible defendants fully accountable.

In addition, the bill also imposes a cap on punitive damages of $250,000 or three times actual damages, whichever is less, in cases involving defendants with 50 or fewer employees; this cap applies no matter how egregious the defendant's behavior unless the plaintiff can prove by clear and convincing evidence that the small business defendant specifically intended to harm the plaintiff—an extremely difficult standard for a plaintiff in a civil case to meet.

The elimination of joint liability of defendants in most instances—even for defendants that are substantially responsible for causing a Y2K failure—with no requirement that defendants take any steps to avoid Y2K failures in the first place to receive this liability limitation; this change in law would leave many injured individuals and small business consumers without full compensation.

A provision to allow defendants to remove most state law Y2K class actions into federal court—a proposal opposed by the Judicial Conference of the United States, chaired by U.S. Supreme Court Chief Justice Rehnquist.

Additional burdens on class action plaintiffs such as heightened notice and pleading requirements and requirements that courts find that the majority of class members' injuries to be ''material'' at the outset of any litigation; these requirements will make it harder for consumers to bring their cases as a class, even if that represents the most efficient way to adjudicate their cases.

So-called ''bystander liability'' provisions, limiting the liability of parties other than the product manufacturer or seller by making it more difficult to prove claims of fraud, negligent misrepresentation, interference with contract and other claims where the defendant knew or should have known about the Y2K failure at issue.

A mandatory waiting period of 90 days before plaintiff can bring a suit—with no requirement that defendants actually fix any Y2K problems during that time, even though some plaintiffs could suffer substantial losses during that period, such as a small business that is forced to close.

In addition, the Senate added more special protections for defendants and one-sided provisions that make the Senate bill even worse in some respects than the bill that passed the House. These include:

A complete one-way preemption of state law, preserving every state law that gives more liability protections to defendants while ensuring that the bill only wipes out all current state law rights that benefit consumer and small business plaintiff.

A complete affirmative defense against governmental enforcement actions for defendants that failed to comply with most federally enforceable measurement or reporting requirements because of a Y2K failure that was ''beyond the reasonable control of the defendant;'' this applies to rules of the Environmental Protection Agency, the Food and Drug Administration, the Occupational Safety and Health Administration and other agencies, unless the violation poses an imminent threat to the environment, health, or safety.

The suspension of federal penalties for any violation of any federal regulation caused by a Y2K failure (except a rule related to the banking or monetary system) for businesses with 50 or fewer employees as long as that business did not violate the same rule within the last three years and made some ''good faith effort'' to avoid the Y2K problem.

The only pro-consumer amendment added to the bill in the Senate offers temporary protection against adverse actions by financial institutions or credit agencies for individuals or small businesses unable to meet a financial obligation, such as making a mortgage payment or paying a credit card bill, because of a Y2K failure. This is an important provision to ensure that a person's credit is not ruined or a family evicted because of an inability to make a payment through no fault of their own. But this one pro-consumer amendment in no way makes up for the overwhelming unfairness of the underlying Senate bill to most consumers and small businesses who will experience Y2K failures in products and services they have purchased, or who suffer Y2K damages from chemical spills or other Y2K-caused accidents.

Please oppose the Senate version of H.R. 775.

Sincerely,

JOAN CLAYBROOK,
President, Public Citizen.
FRANK CLEMENTE,
Director, Public Citizen's Congress Watch.

Mr. HOLLINGS. Mr. President, this is the letter we received from the distinguished executive assistant, Mr. John Podesta. I ask unanimous consent this be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, June 30, 1999.

Re H.R. 775—the Year 2000 Readiness and Responsibility Act.

Hon. THOMAS A. DASCHLE,
Democratic Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: The nation faces the possibility that widespread frivolous litigation will distract high technology companies and firms throughout the economy from the important work of preventing—and if necessary—repairing damage caused by the inability of systems to process dates in the new millennium. Special, time-limited legislation to deter unwarranted Y2K lawsuits is important to our economy.

Over the last few months, the Administration sought to ensure that, while we deterred frivolous claims, we also preserved important protections for litigants who suffer bona fide harm. We believed that the Senate-passed bill failed this test. The Conference Committee agreed to make a list of changes that were important to provide necessary protections.

The agreed-upon changes were translated into legislative language extremely narrowly, threatening the effectiveness of the negotiated protections. Nonetheless, we have concluded that, with these changes, the legislation is significantly improved. Specifically, as modified, the Conference Report: ensures that individual consumers can be made whole for harm suffered, even if a partially responsible party is judgment-proof; excludes actions brought by investors from most provisions of the bill and preserves the ability of the SEC to bring actions to protect investors and the integrity of the national securities markets; ensures that public health, safety and the environment are fully protected, even if some firms are temporarily unable to fully comply with all regulatory requirements due to Y2K failures; encourages companies to act responsibly and remediate because those defendants who act recklessly are liable for a greater share of a plaintiff's uncollectible damages; and ensures that unconscionable contracts cannot be enforced against unwary consumers or small businesses.

As a result, I will recommend to the President that he sign the bill when it comes to his desk.

In the normal course of business, the Administration would oppose many of the extraordinary steps taken in this legislation to alter liability and procedural rules. The Y2K problem is unique and unprecedented. The Administration's support for this legislation in no way reflects support for its provisions in any other context.

Sincerely,

JOHN PODESTA.

Mr. HOLLINGS. We go to what we knew. They made the agreement, it was all signed up, and after the agreement was sent over to the White House, it was not what they agreed to even then. I read:

> The agreed-upon changes were translated into legislative language extremely narrowly, threatening the effectiveness of the negotiating protections. Nonetheless, we have concluded that, with these changes . . . [we are going to sign the bill].

They were going to sign a bill. They were going to get a bill for the Vice President. We have to get this Silicon money. And they ought to be taken to task for this kind of performance here. We know what this is about. Like I say, no State, no Governor, no Attorney General, no legislature supports this effort. Let say that my distinguished friend from Connecticut is very effective. He says: What a radical idea when we have a unique problem.

No, not at all. I am reading from the American Bar Association, all the lawyers:

> Traditionally, legal principles governing both tort and contract actions have been the province of the States.

Not the Federal Government. We all know that.

> The legal issues likely to be presented by the year 2000 problem are not unique.

We know that. He said it is not unique, it is not a radical idea, it is not a radical idea to say what is wrong, specify in your complaint what is wrong. When the computer breaks down, I don't know what is wrong. Who does? It is like in the Food and Drug Administration, when there is bad food we have good product liability; we have a Food and Drug Administration. These products they have within their own purview, the proprietary information on the manufacturer, so if there is a product that breaks down, they know where it is. We cannot find it ordinarily. But here, they really sidelined middle America, consumers and the poor small businessman.

They said that is a radical idea. It is a radical idea. It goes against the entire thrust of the safety principles we experience here in America. We have a safe society. You can depend on the food. You can depend on the products. The European Union is now following strict liability and joint and several liability that we have here in America. A radical idea to run to the courthouse? We are not running to the courthouse.

It is a litigious society, but we will show tort claims are down and business suing business is up; domestic cases, rights cases for this right, that wrong; environment and otherwise, are up. But tort liability cases are down.

This here really legalizes torts, it legalizes negligence, it legalizes fraud, all in the name of something that happens 6 months from now when, by their own measure they say we ought to have 90 days to fix it. Unreasonable? The Senator from California, she came and said: Let's get rid of all the lawyers, just use those 90 days to require the manufacturer to fix it; that's all we need. We need to get back in business. We do not need a rush to the courthouse.

Rush to the courthouse? That implies you are going to get a rush judgment. Try to get 12 jurors to agree on anything today. You cannot get 12 Senators.

They surely have gotten something very easily. Surely, it was not unreasonable to at least say you have to fix the problem, in return for expansive restrictions on plaintiffs' rights.

Instead, they say you have to find out what is wrong and specify it before they do anything. Come on. They say that is in behalf of the consumers of America? And that is a good measure and it is a victory for America? No, Mr. President; this is a sad day when the moneys in campaigns are not just taken to get elected, are not taken just to buy the office, but when they buy the principles in order to cater to a crowd to pass this kind of legislation.

How much time remains?

The PRESIDING OFFICER. The Senator has 10 minutes 37 seconds.

Mr. HATCH. Mr. President, I want to take a few moment to speak on behalf of the conference report. As you know, the negotiations over the details of the Y2K Act entered their final phase last Friday, during the weekend, and through Monday and Tuesday of this week. With the tremendous help and diligence, particularly of Senators McCAIN, DODD, and WYDEN, we were able to craft a compromise bill which addresses every one of the major concerns of the White House.

Let me say that the final bill reflects the spirit of compromise. But I must admit that I believe the original Judiciary and Commerce Committee bills—along with the House bill—would have been far more effective in dealing with the problem of the expected frivolous and massive Y2K litigation—than the current compromise measure. But because of the overwhelming importance and need for this bill, both sides acted in good faith and reached an equitable agreement. Let me explain the depth and breadth of the changes that were made.

First of all, the House, recognizing the urgent need to pass this legislation, acceded to the far more lenient Senate bill. In practice, this meant that twelve major provisions of the House bill were dropped, ranging from elimination of both caps on director and officer liability to caps on attorneys fees. In the conference negotiations, seven further important concessions were made. Finally, in negotiations with the White House led by Senator DODD, we agreed to six further significant modifications to the bill. Mr. President, I have a list of these changes. I also have a letter from John Podesta to Senator DODD, dated June 29, that enumerates the changes requested by the White House and—except for minor technicialities—agreed to by the conference. I ask unanimous consent that these two documents be printed in the RECORD.

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

THE Y2K ACT

1. CONCESSIONS MADE ON Y2K ACT SINCE HOUSE & SENATE ACTION

House receded to the Senate, which means:

No caps on Directors and Officers liability;

Applies current state standards for establishing punitive damages, instead of new preemptive federal standard;

Cap on punitive damages no longer applies when defendant specifically intended to injure the defendant;

Removed caps on punitive damages for larger businesses;

Restore principle of joint liability for defendants who knowingly commit fraud. (House bill provided for several, but not joint, liability);

Definition of Y2K failure narrowed and targeted directly on year-2000 date-related data;

Dropped provisions dealing with attorneys fees;

Added sunset provision limiting application of Act;

Three major exceptions to proportional liability rule added. These exceptions and, indeed, the proportionate liability section itself, were taken from recent securities law sponsored by Senator Dodd;

Dropped the reasonable efforts defense or Federal rules for admissibility of reasonable efforts;

Dropped Federal rule for heightened state of mind requirement;

Confirms substitution of Federal question for minimal diversity standard

2. FURTHER CONCESSIONS

Revised definition of Y2K action—strike ''harm or injury resulted directly or indirectly'' and replace with the WH formulation of ''harm or injury [that] arises from or is related to'' an actual or potential Y2K failure. Add same formulation to claims or defenses.

Securities claims exclusion—Rejected WH formulation that private securities claims should be exempted from the bill. New provision would allow provisions of the securities law to stand only it if conflicts with provisions of the Y2K Act. We also agreed to exempt from the Y2K Act's application of securities law the duty to mitigate section.

Revised language on duty to mitigate—Added an exception for intentional fraud (unless there was an unjustifiable reliance on defendant's misrepresentations). Also exempted securities claims from this section.

Revised language on Economic Loss Rule—Adopted the approach of the Kerry Amendment, which allow for economic damages where the defendant committed an intentional tart (except where the defendant committed misrepresentation or fraud ''regarding the attributes or capabilities of the project or service that forms the basis for the underlying claims.''

Warrany and contract preservation—Addition to existing language, makes clear that contract terms can be voided by state-law doctrines of unconscionability existing as of January 1, 1999, in controlling judicial precedent of applicable sate law.

Proportion liability—new section which includes: Added three provisions: (1) made clear that the provision does not apply to contract provisions; (2) remove the 50% cap placed on those whose shares are not collectable; (3) made clear that all state law (common law as well as statutory) with grater protection applies.

Revised language on class actions—Two changes: (1) to discourage the filing of all state class actions in federal court, we increase the jurisdictional amount from $1 million to $2 million. We also add a requirement that there must be 50 or more plaintiffs to remove state class actions to federal court; and (2) to prevent elimination of state class actions, which have been removed to federal court and the judge remanded the class action as not proper in federal court (does not meet the criteria of FRCP 23), such remands will be without prejudice allowing the class action to be refiled in state court (and, if appropriate, amended and returned to federal court).

Punitivies—Punitive damage cap for small business—50 or less employees—which is the lesser of $250,000 or 3 times compensatory damages. The cap does not apply if a defendant acted with specific intent to injure the plaintiff.

CONCESSIONS PROPOSED BY SENATOR DODD

Proportionate Liability; Double orphan share for all solvent defendants; Triple orphan share for defendants proven by plaintiffs to be had actors; Exempt individual consumers in individual, but not class, actions.

Class Actions; Increase monetary threshold to $5 million; Increase class size exemption to 100 plaintiffs; Securities.

Exempt all private security claims from Y2K Act, except from bystander provision of that Act (Sec. 13(a) and (b)).

Contract Enforcement: State law governing contracts of adhesion and unconscionability remains enforceable.

Economic Loss; Doctrine will not apply to claims of fraud related to contract formation; Regulatory Relief (Gregg and Inhofe amendments).

Inhofe: Exemption applies so long as defendant could not have known of the underlying violation because of a Y2K failure of a reporting system. Similar approach with respect to Gregg. (Specifics to be worked out with Administration and others.)

THE WHITE HOUSE,
Washington, DC, June 29, 1999.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Washington, DC.

DEAR SENATOR DODD: After our discussions regarding H.R. 775, the Year 2000 Readiness and Responsibility Act, to limit liability resulting from Y2K failures, I am prepared to recommend to the President that he sign legislation that includes the following changes:

Proportionate Liability—double orphan share for all solvent defendants, triple orphan share for defendants proven by plaintiffs to be bad actors, and exempt individual consumers in individual, but not class, actions.

Class Actions—Increase monetary threshold to $10 million, and increase class size exemptions to 100 plaintiffs.

Securities—exempt all private security claims from Y2K Act.

Contract Enforcement—State law governing contracts of adhesion and unconscionability and contracts that contravene public policy remain enforceable.

Economic Loss—Doctrine will not apply to claims of fraud related to contract formation.

Regulatory Relief (Gregg and Inhofe amendments)—Changes made to ensure that the provision would not endanger the environment, public health or safety.

Should the language of the legislation reflect our understanding of the resolution of these issues, I would advise that the President sign this bill. I am hopeful that if these changes are made, legislation can be enacted on a bipartisan basis.

Sincerely,

JOHN PODESTA.

Mr. HATCH. There can be no question that the final bill is more than a fair compromise. It balances the need to protect consumers against the need to safeguard business—particularly our high tech industries—from the ravages of unrestrained predatory litigation. Indeed, some experts maintain that litigation over the Y2K bug could cost the world economy over one trillion dollars.

I must emphasize the importance of this. One reason that our economy has been prospering is the beneficial effect of its increasing computerization. The Chairman of the Federal Reserve Board, Alan Greenspan, has asserted several times that the economy's increased productivity is in part due to computerization and the information revolution. And one of America's biggest exports is high technology goods and services. Without this bill, we would be strangling the proverbial goose that lays the golden egg. America must remain the pacesetter in high technology and the leader of the information revolution. Our security and national defense demands it.

Because of the importance of this issue, I have stated that I want a bill and not a partisan issue. I believed that compromise was the only way to achieve a product that was both fair and that would pass Congress. The bill we produced is a good product. But, it could have been a better product if the administration had been more forthcoming. Despite frequent requests by myself, Chairman MCCAIN, and other Senators, for the administration to become actively involved, the administration did not seriously enter into negotiations until last week. They now—after hours and hours of talks—reluctantly support the bill. Well, better late than never, I guess.

I want to reiterate my thanks to Chairman MCCAIN and Senators DODD and WYDEN. I also want to thank the other conferees, Senators BENNETT, THURMOND, GORTON, STEVENS, BURNS, LEAHY, HOLLINGS, and KERRY, for all their hard work and efforts in making this bill fair, as well as, effective. Senator BENNETT in particular was an early advocate for prompt and meaningful action on Y2K. I would also be remiss not to note my appreciation for the hard work and dedication of the cosponsor of my Senate Judiciary Y2K bill, Senator FEINSTEIN.

I also want to thank the House conferees for their hard work and for their wisdom and prudence. Finally, I want to thank the Senator and House staff for their dedication. I know the long hours they labored.

I urge all Senators to support this compromise conference report.

Mr. BOND. Mr. President, I rise to applaud my colleagues in the Senate and our friends in the House of Representatives for acting promptly to negotiate a conference report on the Y2K Act. As chairman of the Committee on Small businesses, I have paid particular interest to the small business community's concerns about the Y2K problems. While the ultimate consequences that will result from the Y2K problem are as yet unknown, small family-owned businesses are understandably concerned about their futures after the new year. They are concerned that their companies may be in danger either from the problem itself or from suits brought by trial lawyers concerned only with the fees they can obtain from settlements.

These businesses have reason to worry that they will be bankrupted by never-ending litigation. Small, woman-owned and family-owned businesses are the most vulnerable from costly litigation, either as plaintiffs or defendants, because they do not have the time to devote to it and do not have excess revenue to afford it. In addition, small businesses do not want to sue companies with which they have long-standing relationships and whose survival is tied to their own. Yet, these vulnerable businesses see the looming specter of endless litigation on the horizon.

Experts have estimated that total litigation costs related to the Y2K problem will be astronomical. For example, the Gartner Group, an international consulting firm has estimated that more than $1 trillion will be spent on Y2K litigation. Therefore, this legislation, by encouraging resolution of Y2K disputes outside the courtroom and decreasing the number of frivolous lawsuits that small businesses may have to face, will help to ensure that litigation arising from this problem will not devastate the millions of small businesses that are the engine of our nation's economy.

The small businesses that are troubled about the prospects of Y2K litigation are located on Main Streets all across America, not just Silicon Valley. They are this country's mom and pop groceries, its dry cleaners and its hardware stores. The National Federation of Independent Businesses, the nation's largest small business association, strongly supports this legislation. The NFIB surveyed its members and found that an overwhelming 93 percent support capping damage awards for Y2K suits. The small business community is speaking with a unified voice in support of legislation to limit the impact of Y2K suits for the good of this nation and by voting for the conference report today we are not ignoring this voice.

The conference report also contains an important amendment that was adopted in the Senate sponsored by Senator GREGG and co-sponsored by me. While the underlying bill will ensure that small businesses do not face financial ruin from costly litigation, the amendment will make certain that our own government does not bankrupt small businesses over the Y2K problem. This amendment will waive Federal civil money penalties for blameless small businesses that have in good faith attempted to correct their Y2K problems, but find themselves inadvertently in violation of a Federal regulation or rule, despite such efforts.

Most experts that have studied the Y2K problem agree that regardless of how diligent a business is at fixing its Y2K problems, unknown difficulties are still likely to arise that may place the operations of such businesses at risk. The last thing this government should do is levy civil money penalties on small businesses that find themselves inadvertently confronted with Y2K problems. Many of these businesses will already have had their operations disrupted and may be in danger of going out of business entirely. The Gregg-Bond amendment in the conference report ensures that the Federal government does not push them over the edge. I urge all my colleagues to support the conference report for the sake of our country's small woman- and family-owned businesses and to ensure that the economic health of our nation is not imperiled by the Y2K problem in the coming year and beyond.

Mr. KERREY. Mr. President, as I have stated before, the debate surrounding Y2K Liability is a very important one. The estimated cost associated with Y2K issues vary greatly, ranging from $600 billion to $1.6 trillion

worldwide. The amount of litigation that will result from Y2K-related failures is uncertain, but at least one study has guestimated the costs for Y2K related litigation and damages to be at $300 billion.

With that in mind, Congress has been debating legislation which encourages companies to prevent Y2K failures and to remedy problems quickly if they occur, and to deter frivolous lawsuits. Although I support the goals of the bill that passed the Senate last month, I voted against that bill because I did not feel it provided enough protection for consumers.

I am pleased to see that changes were made in the Conference Report that address my concerns and provide protection for consumers. Because of these important changes, I intend to support the Y2K Liability Conference Report. Many of my colleagues have pointed out positive changes to this bill. I would like to highlight just two provisions that will put consumers in a better position with respect to Y2K litigation.

The first provision concerns proportionate liability. Exceptions to the general rule of proportionate liability were made to ensure ordinary consumers are protected and ''bad actor'' defendants are not rewarded. These bad actor defendants, those who act recklessly, will bear a higher proportion of liability for otherwise uncollectible damage claims. This both protects consumer plaintiffs and provides companies with an incentive to identify and remedy Y2K problems.

The second provision deals with the duty to mitigate. Under the bill, plaintiffs have a duty to mitigate damages, which means that they have a duty to fix computer problems that could have been reasonably avoided. The Conference Report adds an important exception to this rule. Consumers who rely on fraudulent misrepresentations made by defendants about Y2K readiness will be exempted from this duty to mitigate. In other words, if a computer company tells a consumer in bad faith that his computer is ''Y2K compliant'' and that turns out to be false, the consumer will be in a better position to recover damages from that bad faith defendant.

The Y2K issue is a very unique, once in a millennium, problem. Because it is so unique, I agree that legislation is needed. I believe this legislation now strikes a proper balance between consumers and the high tech industry—computer companies have an incentive to identify and remedy potential Y2K problems, and consumers have important protections when faced with bad actor defendants. Therefore, I will cast a vote in support of the Y2K Liability Conference Report.

Mrs. FEINSTEIN. Mr. President, I am pleased that the long road to enacting this critical legislation is finally coming to an end.

The conference report now before the Senate is the product of more than seven months of tough, complex negotiations between the high-tech industry, the White House, trial lawyers, consumer groups, computer consultants, countless Members of the House and Senate and other interested parties.

The final, bipartisan bill—now supported by the President—will create a once in a millennium, three-year law. Without it, I believe we could see the destruction or dismemberment of America's cutting edge lead in technology.

Mr. President, several well-known consultants and firms, including the Gartner Group, have estimated that Y2K litigation could quickly reach as high as one trillion dollars. This potential litigation flood could prevent companies from solving Y2K defects, and as a result could put the high-tech engine that has propelled our economy to new heights at risk.

This bill is especially important to California, where over 20 percent of the nation's high-tech jobs are located.

And the problem extends beyond high tech companies into the lives of employees, stockholders and customers of a wide range of American business.

We solved part of the Y2K problem last year when Congress overwhelmingly passed legislation to protect companies who make statements about Y2K problems in order to help others predict and solve these problems before they occur.

But we must now take an extra step, in order to encourage companies to work to prevent and fix Y2K problems with minimum delay.

Without this bill, companies may be forced to devote far too many resources to preparing for lawsuits rather than mitigating damages and solving Y2K problems.

And many consultants have come to us and said that they have refused to become involved in helping companies solve Y2K problems, for fear that they will open themselves up to being sued later on. They would rather just not get involved.

As a result, the very people capable of fixing Y2K defects are unavailable to perform those fixes.

I believe we face a real problem, and we have tried to craft a real solution.

And crafting that solution has not been easy. On almost a daily basis, Senate staffers, industry representatives, opponents of the bill and others have met for hours at a time to hammer out differences, clarify language, and make significant, substantive changes to the early versions of these bills.

In fact, even before the Conference Committee met over the last week, the original sponsors of Y2K litigation reform, including myself and Senators HATCH, MCCAIN and WYDEN, made dozens—if not hundreds—of changes to these bills. We addressed every concern we could, we significantly limited the scope of the bills, and we clarified many sections to ensure that plaintiffs and defendants alike will find an even, uniform playing field once the bill passes.

And it is important to remember that nothing in this bill is permanent—rather, it is a three-year bill limited to certain specific cases. The bill applies only to Y2K failures, and only to those failures that occur before January 1, 2003.

This bill contains a number of key provisions meant to deter frivolous suits and encourage remediation, arbitration, and problem-solving.

Most of these provisions have been modified or limited during the negotiations that have taken place over the last seven months. Several changes were made as late as this week, during negotiations with the White House.

The bill provides a 90-day ''cooling off period'' during which time no suit may be filed, so that businesses can concentrate on solving Y2K problems rather than on fending off lawsuits.

Only one 90-day period may be invoked per lawsuit, and the 90-day period does not delay any injunctive relief—a plaintiff may immediately file for a temporary restraining order or any other type of injunctive relief.

The purpose of this section is to give both parties an opportunity to focus on identifying and then correcting any Y2K problems quickly and efficiently.

The bill also provides for proportionate liability in many cases, so that defendants are punished according to their fault, and not according to their ''deep pockets.''

Under our current system of joint and several liability, a defendant found to be only twenty, ten or even one percent at fault can nonetheless be forced to pay 100 percent of the damages.

This system often encourages plaintiffs to go after ''deep pocket'' defendants first, in order to force a quick settlement.

I believe that this system is fundamentally unfair, and I am pleased to say that this bill eliminates joint and several liability in many Y2K cases.

Under the new system, defendants will be responsible only for that portion of damages that can be attributed to them.

However, the bill does have several specific exceptions to the elimination of joint and several liability.

First, any plaintiff worth less than $200,000 and suffering harm of more than 10 percent of that net worth may recover against all defendants jointly and severally. This exception in the bill protects those plaintiffs with a low net worth, but will not unduly injure defendants because the damages recovered will not be great.

Second, any defendant who acts with an intent to injure or defraud a plaintiff loses the protections under this bill

and is again subject to joint and several liability. We do not want to protect those acting with an intent to harm.

Finally, the original Senate bill provided a compromise for those cases in which certain defendants are ''judgement-proof.'' In cases where a plaintiff cannot recover from certain defendants, the other defendants in the case would each liable for an additional portion of the damages. However, in no case could a defendant be forced to pay more than 150 percent of its level of fault. The Conference Committee increased that cap to 200 percent, making it even easier for plaintiffs to recover the fullest possible extent of their damages.

The Conference Committee also inserted provisions in the bill, at the request of the White House, that will allow any individual consumer to recover jointly and severally against defendants for any share of damages that are uncollectible from other, judgment-proof defendants.

And for Y2K class action suits, the bill requires that a majority of plaintiffs have suffered some minimal injury, in order to avoid cases in which thousands of unknowing plaintiffs are lumped together in an attempt to force a quick settlement.

The bill moves many Y2K class actions into federal court for purposes of uniformity, but at the request of the White House the Conference Committee increased the threshold to get to federal court from the one million dollar level found in the Senate bill to ten million now. Furthermore, the number of required plaintiffs required to move a class action to federal court has been doubled from fifty to one hundred.

And the punitive damages section, which has been severely curtailed since early versions of the bill, now caps punitive damages for small businesses only—to $250,000 or three times compensatory damages, whichever is lesser.

Another change made to the bill in Conference exempts most intentional torts from the limits on recovery for economic loss.

Finally, the conference report provides that state laws on unconscionability will not apply to cases in which individual terms within a contract should not be enforced—a move further protecting the plaintiff's right to recover.

Each of the changes made before and during the Conference Committee negotiations has narrowed the focus and effect of the bill, while still maintaining the bill's clear intent to allow companies to prevent, solve and remediate Y2K problems without undue delay stemming from frivolous lawsuits and meritless claims.

The ''one trillion dollar litigation headache'' is rapidly approaching, and this Congress can provide some preventative medicine and some anticipatory pain relief in the form of the reasoned, fair, and thoughtful compromise before us.

The bill sets forth clear rules to be followed in all Y2K cases, and the bill levels the playing field for all parties who will be involved in Y2K suits—plaintiffs and defendants.

Companies and individuals alike will know the rules, and will know what they have to do. And most importantly, the stability that will come from this bill will allow companies to prevent Y2K problems when possible, fix Y2K defects when necessary, and proceed to remediation of damages in an orderly and fair manner.

This bill has been through a tortuous legislative drafting process, with criticisms, suggestions and changes made from every side and by every sector of our society.

So let us pass this conference report today, let us send it to the President, and let us show this nation that the Y2K crisis will not cripple our courts, will not disrupt our economy, and will not put a halt to the technology engine driving our progress towards the twenty-first century.

Mr. LOTT. Mr. President, as the Senate prepares to vote on the Conference Report on H.R. 775, the Y2K Act, I want to praise the bipartisan efforts of so many Senate and House Members who have worked diligently to construct an effective, fair bill that will address the important issue of liability as it relates to the possible Year 2000—or Y2K—computer problems. This has been a group effort, teaming members on both sides of the aisle with the private sector. The coalition of high technology businesses, large businesses, small businesses, and others provided the initiative and momentum that pushed this bill across the finish line.

This bill is constructive, positive legislation. It allows companies in the information technology industry to focus their limited resources on solving Y2K related problems in computer software by preventing frivolous litigation. Litigation which would divert those limited resources away from solving Y2K programming deficiencies.

Mr. President, so many Senators and their staffs have worked to insure the success of this legislation, even when faced with difficult hurdles and odds. The efforts of Senator MCCAIN, Senator WYDEN, Senator GORTON, Senator BENNETT, Senator DODD, Senator HATCH, Sentor FEINSTEIN and others, along with the efforts of the House sponsors and conferees, have brought us to this point.

Mr. President, I am pleased that the House has passed this important bill today by a vote of 404–24. With only 183 days left until the globe turns the page on the calendar to a new century and a new millennium, I urge my colleagues to vote for this important bill. I am confident that this Conference Report will pass the Senate by a wide margin, just as in the House, and I urge the President to sign this bill into law when he receives it.

Mr. HOLLINGS. Mr. President, we have some demands on this side of the aisle and some obligations.

I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I congratulate the Senator from South Carolina for his spirited and impassioned defense of his position. It is a great privilege to do combat with him, both in the committee and on the floor. I appreciate his eloquence as always. Since this time I believe we have the votes, I yield back the remainder of my time.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. MURKOWSKI) is necessarily absent.

The result was announced—yeas 81, nays 18, as follows:

[Rollcall Vote No. 196 Leg]

YEAS—81

Abraham	Dorgan	Lincoln
Allard	Enzi	Lott
Ashcroft	Feinstein	Lugar
Baucus	Fitzgerald	Mack
Bayh	Frist	McCain
Bennett	Gorton	McConnell
Bingaman	Graham	Mikulski
Bond	Gramm	Moynihan
Boxer	Grams	Murray
Brownback	Grassley	Nickles
Bryan	Gregg	Reed
Bunning	Hagel	Robb
Burns	Harkin	Roberts
Byrd	Hatch	Roth
Campbell	Helms	Santorum
Chafee	Hutchinson	Schumer
Cleland	Hutchison	Sessions
Cochran	Inhofe	Smith (NH)
Collins	Inouye	Smith (OR)
Conrad	Jeffords	Snowe
Coverdell	Kennedy	Stevens
Craig	Kerrey	Thomas
Crapo	Kerry	Thompson
Daschle	Kohl	Thurmond
DeWine	Kyl	Voinovich
Dodd	Lautenberg	Warner
Domenici	Lieberman	Wyden

NAYS—18

Akaka	Hollings	Rockefeller
Biden	Johnson	Sarbanes
Breaux	Landrieu	Shelby
Durbin	Leahy	Specter
Edwards	Levin	Torricelli
Feingold	Reid	Wellstone

NOT VOTING—1

Murkowski

The conference report was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF BUSINESS

Mr. LOTT. Mr. President, I think it is important now we give Members some indication of what the schedule looks like. Senator DASCHLE and I have been talking about how we can move forward.

I believe we have two amendments that have to be dealt with, with the possibility of votes, at least two votes at 7:30, in order to finish the Treasury-Postal Service appropriations bill. I think there will probably just be one amendment vote and final passage, although there is another amendment that has to be disposed of in that time.

At that point, our plan is to go to the District of Columbia appropriations bill. Work is being done on that now. Senator DASCHLE and I are ready to announce right now that if we can get that done tonight at a reasonable hour, we will not have any votes on Friday. If we have difficulty, if we can't get it done tonight, then we will be in with votes tomorrow. We probably are going to have to be in tomorrow anyway. Senator DASCHLE and I had already planned on being here. We want company. We are still working on nominations tonight, and we might have some we will try to get cleared tomorrow.

Basically, I am saying that if we could get this D.C. appropriations bill completed, then we would not have recorded votes tomorrow. It behooves us all. We are in a good mode now. We are making progress. I urge those who are involved in the D.C. appropriations bill to work aggressively so we can complete this at a reasonable hour tonight. Otherwise, we will see you in the morning at 9:30.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. LOTT. I am delighted to yield.

Mr. BYRD. I hope you will have a session tomorrow without votes. There are many of us who like to make some speeches from time to time. We don't get the opportunity to do that. I would like to give a speech concerning Independence Day, for example, and there are others.

Mr. LOTT. Mr. President, as I indicated, I thought we might have to have a session tomorrow anyway because of some wrapup business we may need to do. If we have Senators who would like to speak as to the Fourth of July, that is all the more reason. The key question for all other Senators is, will there be votes tomorrow morning or not. That will depend on finishing up the District of Columbia appropriations bill.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. LOTT. I yield the floor, Mr. President. I believe we have a D.C. unanimous consent request that is ready now.

UNANIMOUS CONSENT REQUEST—S. 1283

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that we take up and consider the District of Columbia appropriations bill with the following parameters: 40 minutes equally divided on the Coverdell needle exchange amendment, with a second-degree amendment by Senator DURBIN; 30 minutes for Senator DURBIN's tuition assistance program amendment, and 10 minutes for the opposition; 15 minutes for Senator DURBIN's sense-of-the-Senate amendment; the Hutchison managers' amendment, and a final vote.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Reserving the right to object, I have not seen the needle exchange amendment or Senator DURBIN's second degree, if he has one. I cannot agree to this at this time, until I see the amendment, because it affects a lot of people and it could mean the spread of disease. I need to see the amendment.

The PRESIDING OFFICER. Objection is heard.

Mrs. HUTCHISON. We will work with the Senator from California and let her see the amendment. I will ask Mr. COVERDELL to make the amendment available.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000—Continued

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota, Senator WELLSTONE, is to be recognized.

Mr. WELLSTONE. Mr. President, I think I follow Senator DEWINE.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

AMENDMENT NO. 1200

(Purpose: To prohibit the use of funds to pay for an abortion or to pay for the administrative expenses in connection with certain health plans that provide coverage for abortions)

Mr. DEWINE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. DEWINE], Mr. ABRAHAM, Mr. BROWNBACK, Mr. SANTORUM, Mr. HELMS, Mr. ASHCROFT, Mr. MCCAIN, Mr. NICKLES, and Mr. HAGEL, proposes an amendment numbered 1200.

The amendment is as follows:

At the end of title VI, add the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

Mr. DEWINE. Mr. President, I rise to offer this amendment on behalf of myself and Senators ABRAHAM, BROWNBACK, SANTORUM, HELMS, ASHCROFT, MCCAIN, NICKLES, and HAGEL.

This amendment would maintain in force the current law restricting Federal funding for abortions only to cases of rape, incest, or life of the mother. Specifically, my amendment would maintain the status quo that limits Federal employee health plans to cover abortions only in the case of rape, incest, and threat to life of the mother.

This is the same amendment that was accepted during the debate for fiscal year 1999 Treasury-Postal appropriations, the same amendment agreed to by this body during the debate for fiscal years 1996 and 1997. In fact, this is the same language that has been consistently supported by a bipartisan group of Senators and Representatives from 1983 to 1999, with the exception of only 2 years.

I mention all of this to make it very clear to the Members of the Senate that this amendment stakes out no new ground. This amendment maintains the status quo. This amendment has been voted on time and time again by this body, and time and time again this body has accepted it.

The principle is a very simple one—one that goes beyond the conventional pro-choice/pro-life debates that we hear on this Senate floor. I think my colleagues know I am pro-life and, therefore, I wish to promote the values protecting innocent human life. However, I point out that the vast majority of Americans on both sides of the abortion issue strongly agree that they should not pay for someone else's abortion. That really is what this debate is about.

Fairly stated, this amendment is not about the morality of abortion or the right of a woman to choose abortion. Rather, this is a very narrowly focused amendment that answers a key question: Should taxpayers pay for these abortions?

This Senate, this Congress, has consistently answered no. Congress has consistently agreed that we should not ask taxpayers to promote a policy, in essence, of paying for abortion on demand by a Federal employee. My amendment would maintain the status quo that limits Federal employee health plans to cover abortions only in the case of rape, incest, and threat to the life of the mother.

The vast majority of Americans oppose subsidizing abortions. Employers, as a general principle, determine the health benefits employees receive. Taxpayers are the employers of Federal

employees, and a large majority of taxpayers simply do not want their tax dollars to go to pay for abortions. Taxpayers provide a majority share of the funds to purchase health insurance for the Federal civilian workforce. This provision addresses the same core issue and simply says that the Federal Government, as the employer, is not in the business of funding abortions. Abortion is certainly a contentious issue, and we should not ask the taxpayers to pay for it.

In conclusion, this issue has been debated time and time again on the Senate floor. Current law limits abortion availability in Federal employee health care plans to cases of rape, incest, and to save the life of the mother. That has been the position of the Senate, that has been the position of the House, and that was approved last year and the year before as well. We should not involuntarily take the money of Americans—many of whom find abortion abhorrent—to pay for abortions. We should not go against the will of the people of this country. We should uphold current law, and that is very simply what this amendment does.

I reserve the remainder of my time.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I would like to understand the parliamentary situation. As I understand it, the Senator from Ohio has 22 and a half minutes and I have the same amount of time. Is that correct?

The PRESIDING OFFICER. That is correct.

Mrs. BOXER. I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I rise today in opposition to the amendment offered by the Senator from Ohio, Mr. DEWINE, and I want to tell you why. I hope colleagues will listen to this, because this is an amendment that impacts 1.2 million women in America today. It is a law that is aimed directly at them. It will harm them; it will take away their rights.

We do a lot of things around here, and some of them don't really affect real people. This affects real people who happen to be women, 1.2 million of them, who are hard-working women, who pay for their own health insurance—part of it. Yet, under the Senator's amendment, he says to those 1.2 million women: You are going to be treated differently from every other working woman in America today just because you happen to work for the Federal Government and just because the Senate has the power to impact you.

I think this is a sad day for us again, a very sad day. Every other woman in America who has a health insurance plan can avail herself of all the legal procedures that are known to exist today. They have no problem. Abortion is a legal procedure. Let me repeat that. Abortion is legal in America. That is what this is all about. This isn't a debate about these 1.2 million women, not at all.

It is about the underlying question.

The Senator from Ohio is a leader in the effort to take away a woman's right to choose. He is open about it. He is honest about it. He is forthright about it. He thinks abortion should not be legal under any circumstance. And his cosponsors today, if you look at their record, are all in favor of a constitutional amendment banning the right to choose.

What we are seeing is another way to get to the same end. If you can't repeal Roe, if you can't take away a woman's right to choose, take away her right to be able to pay for the procedure which is legal.

Federal employees work hard. They work in every aspect of our lives. Some of them are scientists at the NIH. Some of them work delivering the mail. They work hard.

It seems to me unconscionable that we would say, because we have the power to do it, we would say because of raw legal power, Federal employees, women, you are second-class citizens, and you do not have the same rights as someone who works for American Telephone, or any of the companies, small or large, in this country.

Why is it that the Senator from Ohio doesn't have that in his amendment? Because he can't get it passed. But he has figured out a way because, yes, the Federal Government, as part of our benefits package, pays part of the health insurance premium.

So that is the vote. It is true that this has passed a couple of times. We didn't have a debate on it really the last time. I found it very interesting when we started this because my friends came to me and said: Do we really need to have a vote? Do we really need to talk about this?

I want to say something about this. We have a lot of time to talk about Y2K. We have endless days to talk about Y2K, and then we add another hour and a half to talk about Y2K. When it comes to business, we have a lot of time. But when it comes to taking away the rights of women, oh, Senator BOXER. Do you really need to talk about it? Can't we just forget about it? We don't need a vote. We want to go home. I want to go home. But we are about to do again what we have done before, which is to say to these women, you can't be treated like other women.

Everyone who gets up on that side to talk about this—I guarantee it—really wants to outlaw abortion, period.

That is what this is about—make it tougher, make it harder, any hook that they can find to stop a woman from exercising her legal right given to her by the Supreme Court decision, and, by the way, ratified over and over and over again by that Court—even the current Court. Yes, it is legal for a woman to have control over her own body. Yes, it is legal, they said. It is within her privacy rights. It gives her dignity. It gives her options. It gives her the ability to take care of her own health.

This is an insult to women who work for the Federal Government.

The Senator from Ohio has no compunction about it—standing up here and looking at the women who work here; his own staff, by the way, who will be treated as second-class citizens, different from all the other women in this country.

I now yield 10 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleague from California, Senator BOXER, who has risen to speak against this amendment, for her courage, and for her reminding all of us of how important this issue is to so many women across this country.

I speak today in strong opposition to the DeWine amendment, which once again, attempts to restrict access to safe, legal, affordable reproductive health care services for women. This amendment simply seeks to obstruct a women's right to choose.

I know the proponents of this amendment claim they are only prohibiting the use of federal funds to pay for abortion. The truth is this amendment is about the U.S. Senate determining what health benefits federal employees will receive.

Health insurance for federal employees is an earned benefit. It is part of an overall compensation package. It is no different than a salary. Through this amendment, Senator DEWINE and his colleagues attempting to give federal taxpayers a say in how federal employees spend their salaries. This is unfair. A federal employee's salary belongs to the federal employee and a federal employee' health benefits belong to the federal employee.

Yet, we are here today debating an amendment that is based on the premise that the taxpayer controls federal employee's benefits. Again, health insurance is an earned benefit offered in lieu of income. The value of this benefit is part of the overall compensation for work performed. Why are we attempting to dictate the value or scope of a benefit owned by the federal employee? The answer is because the majority believes it can and therefore that it should. That's unfortunate.

I have a solution for federal employees who object to receiving benefits that allow a women the right to a full range of reproductive health care services: refuse to purchase health insurance from a plan that offers these benefits. It's that simple. Since the Federal

Employees Health Benefit Plan is, in part, funded by a premium paid by the employee that employee should have the right to refuse to support activities to which he or she objects. Those employees should simply not select these plans.

I think all federal employees should be outraged by this kind of amendment that we are debating. Dedicated, hard working federal employees are basically being asked to limit their constitutional right to choose when they enter federal employment. This amendment treats federal employees like second class citizens and gives them no ability to decide what kind of health insurance is appropriate to meet all of their health care needs, including reproductive health.

This amendment is not about the federal funding of abortions. This amendment is an assault on women's health. It is a creative way to deny access to abortion services for federal employees and their families. Federal employees should not be captive to the narrow views of a minority of the public. Allowing federal employees to purchase and receive insurance policies that allow them to have an abortion is not direct federal funding of abortion. It is a round-about way to limit some American's abilities to exercise the rights granted them by the Constitution. I, and the majority of Americans, support that right and the Roe versus Wade decision. This Senate should not undermine the fundamental right of women to decide whether to bear a child.

Most of my colleagues know voters would be outraged if they sought to overturn Roe versus Wade. But instead of simply coming forward and admitting they oppose the idea that a woman has a constitutional right to decide what is in her best interest and the best interests of her family, they hide behind arguments about federal funding. Most of my colleagues know that a majority of the population supports the basic of privacy inherent in the Roe versus Wade decision. Abortion, up to viability, is a personal and private matter. Rather than seeking to overturn Roe versus Wade, they have decided to restrict access with a multitude of creative, but similarly offensive, ways.

By mandating that insurance companies participating in the Federal Employees Health Benefit Plan deny access to abortion services as part of their defined benefit package, the U.S. Senate is attempting to take a private and difficult decision and add to a woman's hardship by turning it also into a financial burden.

Many federal employees simply do not have the discretionary income to pay for an abortion. The cost of this procedure can be high. By removing this health care benefit from all federal insurance plans, we have placed a significant financial burden on employees and their families. For federal employees, the protections guaranteed under Roe versus Wade are seriously jeopardized. Financial barriers can be just as effective for many people as simply overturning Roe versus Wade.

I hope this amendment is defeated and that we can recognize the valuable contributions of all federal employees by not forcing them to surrender their rights and protections as a condition of being a civil servant. I also hope that we can stop these constant assaults on women's health care and that of their families.

Mr. President, I retain the remainder of our time.

Mr. DEWINE. Mr. President, let me just briefly respond to some of the comments that have been made. This matter has been debated many times on the Senate floor. I seriously doubt there will be any new points that I or anyone else will raise.

Sometimes the obvious must be stated: This amendment does not stop abortions. This amendment does not say to any woman what she can or cannot do. This simply says taxpayers are not going to pay for it. It is that simple. It is that basic.

We have to understand, on the average health plan in the Federal Government, 73 percent of the cost is paid for by the Government, which means 73 percent of the cost is paid for by the taxpayers.

We get back to the issue, should the American people, on an involuntary basis, through their taxes, have money taken out of their pay to be used to pay for abortions when many people believe very adamantly that this is wrong? I think the answer is absolutely not, we should not have this money involuntarily taken from taxpayers to pay for abortions, which violates the conscience of many taxpayers.

This is one Senator who doesn't quote polls too often on the Senate floor, but I think it has some relevance about what the American people expect us to do as far as how their taxes are spent. A Fox poll in 1998 asked: Do you think health care plans should pay for any of the cost of an abortion? That answer? Sixty percent said no. The question specifically had to do with the Federal Government paying for these Federal health care plans. Sixty percent said no; 28 percent said yes.

I think it is very clear, with the Federal Government paying almost three-fourths of the cost of these plans and taxpayers paying three-fourths of the cost, we understand what is at stake and what the issue is. It has nothing to do with whether or not a person has a legal right to an abortion. That is a debate for a different day.

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

Mr. DEWINE. I yield.

Mr. SANTORUM. The Senator from Washington was saying we are restricting someone's right by not paying for an abortion, which posits the interesting question that right now comes with a guarantee that the Government will pay for that right. We have freedom of speech guaranteed in the Constitution. Does the Government pay for someone who wants to speak? Do the taxpayers pay to put them on television if they want to speak?

Mr. DEWINE. The answer is no.

Mr. SANTORUM. If a group of people want to assemble, does the Government pay for a room or the assembly costs? Is that part of the right of speech—that the Government must pay for the cost of assembling?

Mr. DEWINE. The answer is no.

Mr. SANTORUM. If someone believes in freedom of religion, does that mean the Government should pay the church to make sure people have the freedom to worship, and make sure the freedom of religion is guaranteed?

Mr. DEWINE. The answer is no.

Mr. SANTORUM. That is the obvious question.

A right is a right, but it does not include the right of the Government to pay for the exercise of that right.

In fact, there could be complications—there is a separation of church and state—if the Government were to get involved in enforcing those rights in this kind of way.

I think we set a very dangerous precedent when we elevate a right to the point where the Government now has to pay for the access of that right or for the enforcement of that right. I think that is a dangerous standard that the Senator from Washington has posited and one I hope the Senate will reject tonight.

I thank the Senator.

Mr. DEWINE. I thank my colleague for his comments.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, I yield 1 minute to the Senator from New York.

Mr. SCHUMER. I thank the Senator from California.

I rise in agreement with the Senator from California against the amendment of the Senator from Ohio. I make this argument—and I am sorry the Senator from Pennsylvania is not here—if I were to offer an amendment that said you couldn't use your Federal dollars to buy a handgun from your salary, there would be outrage on that side. They would say: We haven't made handguns illegal.

You may think they should be. I don't, it so happens, but for the sake of argument you think handguns should be illegal. But fight it on the issue of handguns, don't fight it by taking away Federal employees' rights.

There would be outrage from the very same people who are now saying this.

Mr. SANTORUM. Will the Senator from New York yield?

Mr. SCHUMER. I am delighted, on the time of the Senator.

Mrs. BOXER. We have retained the remainder of our time.

Mr. DEWINE. I yield to the Senator.

Mr. SANTORUM. Is there any prohibition in the DeWine amendment from someone using their own money to purchase insurance to cover abortion?

Mr. SCHUMER. To prohibit an individual to use their own wages to purchase insurance for abortions——

Mr. SANTORUM. Whether one uses their own wages or is part of a Federal health plan, paid for, in fact by those wages——

Mr. SCHUMER. Will the Senator let me finish?

Mr. SANTORUM. Over 70 percent is paid for by taxpayer dollars.

Mr. SCHUMER. What I say again, it is a specious difference to argue that when you go out with your own dollars is any different from with a health plan.

Mr. SANTORUM. Than with taxpayer dollars. That is a specious difference? I don't think so.

Mr. SCHUMER. What the Senator from Ohio is seeking to do——

Mr. SANTORUM. The answer is obvious.

I retain my time.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. SANTORUM. There is no prohibition in the DeWine amendment for someone taking their own wages and purchasing insurance to cover abortion. That is the analogy the Senator made, and it is invalid. I wanted to make that clear.

Mrs. BOXER. I yield to the Senator.

Mr. SCHUMER. I thank the Senator from California for yielding to me to allow me to answer the question of the Senator from Pennsylvania, which is what I was attempting to do. He asked me a question, and he didn't let me answer.

The answer is simple: What you are doing on this amendment is imposing your will on how a Federal employee can spend their money, despite the fact they have a right to choose. It is no different, I argue, from me imposing my will on the right of a Federal employee to spend their money—Federal dollars—on the right to, say, buy a handgun. What is good for the goose is good for the gander.

I wouldn't support that amendment for both the reasons I mention. I think you argue right head on—not try to deal with Federal dollars. Second, I am not for abolishing all handguns. However, I say to my colleagues, the analogy is exact. I think it shows the fallacy of the argument behind the amendment of the Senator from Ohio.

Mr. KENNEDY. Mr. President, I strongly oppose the DeWine amendment.

It has been 26 years since the Supreme Court decided the case of Roe versus Wade in 1973. That landmark decision recognized a woman's fundamental constitutional right to choose to terminate her pregnancy. It removed the barriers that for generations had prevented large numbers of American women from obtaining safe and legal medical care to terminate their pregnancies.

In recent years, however, the barriers blocking access to abortion have begun to be rebuilt. This amendment to ban abortion coverage under the Federal Employees Health Benefits Plan is part of that unacceptable effort.

Several million women currently serve the federal government in every state of the nation. Many work for modest pay and depend upon federal health benefits for all aspects of their medical care, including reproductive health services. The amendment offered today would deny those women access to a legal, medical procedure—a constitutional right—and subject them to discrimination, simply because they have chosen to work in public service.

The anti-choice Republican majority in Congress has failed to undo Roe and make abortion illegal. But, they are doing insidious work to make abortion more difficult and more dangerous for the women of this country.

The most important majority in America—the majority of the American people—believe in a woman's right to choose. They understand what the anti-choice leadership in the Republican Party is trying to do, and they oppose it very strongly. We must do everything we can to uphold this basic right of American women against this relentless attack.

A ban on abortion coverage under the federal health plan would undermine a woman's ability to make a decision on one of the most personal, private, and difficult medical issues that will ever occur in her life. I urge my colleagues to vote against this ban, and preserve the constitutional right to choose for all women who are federal employees.

Ms. MIKULSKI. Mr. President, I rise in strong opposition to the amendment offered by Senator DEWINE.

The bill reported by the Senate Appropriations Committee would enable federal employees, whose health insurance is provided under the Federal Employees Health Benefits Plan, to receive coverage for abortion services.

The DeWine amendment would prohibit coverage for abortion, except in cases of life endangerment, rape or incest. It would continue a ban which has prevented federal employees from receiving a health care service which is widely available for private sector employees.

I oppose this Amendment for two reasons. First of all, it is an assault on the earned benefits of federal employees. Secondly, it is part of a continuing assault on women's reproductive rights and would endanger women's health.

We have seen vote after vote designed to roll back the clock on women's reproductive rights. Every year, on this Appropriations measure and on many others, the assault on a woman's constitutional right to decide for herself whether or not to have a child continues. This amendment continues that assault.

Well, I support the right to choose. And I support federal employees. And that is why I strenuously oppose this amendment.

Let me speak first about our federal employees. Some 280,000 federal employees live in the State of Maryland. I am proud to represent them. They are the people who make sure that the Social Security checks go out on time. They make sure that our nation's veterans receive their disability checks. At NIH, they are doing vital research on finding cures and better treatments for diseases like cancer, Parkinson's and Alzheimers. There is no American whose life is not touched in some way by the hard work of a federal employee. They deserve our thanks and our support.

Instead, federal employees have suffered one assault after another in recent years. They have faced tremendous employment insecurity, as government has downsized, and eliminated over 200,000 federal jobs. Their COLAs and their retirement benefits have been threatened. They have faced the indignity and economic hardship of three government shutdowns. Federal employees have been vilified as what is wrong with government, when they should be thanked and valued for the tremendous service they provide to our country and to all Americans.

I view this amendment as yet another assault on these faithful public servants. It goes directly after the earned benefits of federal employees. Health insurance is part of the compensation package to which all federal employees are entitled. The costs of insurance coverage are shared by the federal government and the employee.

I know that proponents of continuing the ban on abortion coverage for federal employees say that they are only trying to prevent taxpayer funding of abortion. But that is not what this debate is about.

If we were to extend the logic of the argument of those who favor the ban, we would prohibit federal employees from obtaining abortions using their own paychecks. After all, those funds also come from the taxpayers.

But no one is seriously suggesting that federal employees ought not to have the right to do whatever they want with their own paychecks. And we should not be placing unfair restrictions on the type of health insurance federal employees can purchase under the Federal Employee Health Benefit Plan.

About 1.2 million women of reproductive age depend on the FEHBP for their

medical care. We know that access to reproductive health services is essential to women's health. We know that restrictions that make it more difficult for women to obtain early abortions increase the likelihood that women will put their health at risk by being forced to continue a high-risk pregnancy.

If we continue the ban on abortion services, and provide exemptions only in cases of life endangerment, rape or incest, the 1.2 million women of reproductive health age who depend on the FEHBP will not have access to abortion even when their health is seriously threatened. We will be replacing the informed judgement of medical care givers with that of politicians.

Decisions on abortion should be made by the woman in close consultation with her physician. These decisions should be made on the basis of medical judgement, not on the basis of political judgements. Only a woman and her physician can weigh her unique circumstances and make the decision that is right for that particular woman's life and health.

It is wrong for the Congress to try to issue a blanket prohibition on insuring a legal medical procedure with no allowance for the particular set of circumstances that an individual woman may face. I deeply believe that women's health will suffer if we do so.

I believe it is time to quit attacking federal employees and their benefits. I believe we need to quit treating federal employees as second class citizens. I believe federal employees should be able to receive the same quality and range of health care services as their private sector counterparts.

Because I believe in the right to choose and because I support federal employees, I urge my colleagues to join me in defeating the DeWine Amendment.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. How much time remains on both sides?

The PRESIDING OFFICER. There are 12 minutes 57 seconds under the control of the Senator from Ohio and 8 minutes 2 seconds under the control of the Senator from California.

Mr. DEWINE. I yield the Senator from Oklahoma 5 minutes.

Mr. NICKLES. On legislative procedure, I have advised my colleagues on both sides to go through the Chair. I think it is somewhat demeaning to the Senate to not have exchanges through the Chair. There is a reason for the rule.

I will make a couple of comments concerning this issue. I compliment my friend and colleague from Ohio for raising the issue. This is not about how someone spends their own money, I say to my colleague from New York. Anybody can spend their own money. A Federal employee can spend their own money and pay for an abortion.

It says ''no funds appropriated under this act.'' In other words, no taxpayer money shall be used to pay for abortion. That has been the law of the land. We have passed that many times. This administration wants to overturn it. They have not been successful.

I heard one of my colleagues, I believe my colleague from Washington, say it is only a minority, a radical minority. I am not sure if the word ''radical'' was used, but a small minority that wants to impose its will.

That is not the case. There was a poll taken some time ago that asked, ''Should the Government subsidize health care plans to pay for abortion?'' and 72 percent said no.

I have heard people say: You are trying to outlaw abortion.

That is not the case.

The purpose of the amendment is, we do not want to subsidize abortion and we don't want it to be a fringe benefit.

I heard a colleague saying this is a ''benefit.'' It shouldn't be a benefit. Abortion should not be a fringe benefit that is provided for and subsidized, three-fourths of which is paid for by the Federal Government.

Remember what we are talking about. Abortion happens to take the life of an unborn child.

I heard a colleague say we need a full range of reproductive services, we need reproductive health. What about health of the unborn child? Are we going to have the taxpayers pay to destroy the life of an unborn child? The majority in Congress and overwhelming majority of the American people have said no.

That is what our colleague's amendment does. It does not take away a woman's right to choose. It does not outlaw abortion. It just says we should not subsidize it. We should not be using taxpayers' money to provide a fringe benefit in the Federal employees' health care plans to help subsidize the destruction of innocent, unborn children.

So I compliment my colleague for the amendment. I urge my colleagues to support this amendment when we vote.

I yield the floor.

Ms. LANDRIEU. Will the Senator from Oklahoma yield for a question?

Mr. NICKLES. I will be happy to yield on the time of the Senator from California.

Mrs. BOXER. I yield 30 seconds.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Based on the argument he just made, would the Senator from Oklahoma then be in favor of repealing all tax benefits—tax subsidies or tax benefits to corporations in America that offer general health care plans to their employees?

Mrs. BOXER. Those that include abortions.

Mr. NICKLES. The answer to your question is no.

Ms. LANDRIEU. I would argue then that this argument makes no sense because this Senate and this Congress gives hundreds of millions, billions of dollars in subsidies to corporations all over this world that provide health care benefits. I will also argue that the Senator from California is correct; this is picking on a small group of employees.

Mrs. BOXER. I yield an additional minute to my friend.

Ms. LANDRIEU. In my mind, this amendment is not really about abortion one way or the other. It really is about the rights of employees, our employees who we are supposed to protect and treat fairly, men and women alike. It is not about direct subsidy. This is their wages that they earn, that they use to pay for their health care benefits. Since we give subsidies to all corporations everywhere, why can't we help our own employees for something that is legal? I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from California has 6 minutes 32 seconds. The Senator from Ohio has 10 minutes 23 seconds.

Mrs. BOXER. I yield 2 minutes to my friend from Minnesota. Before I do, I want to make a point. If you heard the Senator from Oklahoma, you heard it right. He says abortion is not a health fringe benefit. He says it is taking the life of an unborn child. In other words, in his opinion it is murder.

Unfortunately for my friend——

Mr. NICKLES. Will the Senator yield?

Mrs. BOXER. I will yield on your time. I am happy to yield on your time. I will yield on your time.

Mr. DEWINE. I yield the Senator 30 seconds.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 30 seconds.

Mr. NICKLES. Through the Chair, I want to caution my colleague. I have been close to making a rule XIX order. It is against the rules of the Senate to impugn the motives or the intentions of Senators, and the Senator from California has been very close to doing that, both to the Senator from Ohio and now to the Senator from Oklahoma. I wanted to make her aware of that.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mrs. BOXER. Let me strongly disagree with my friend from Oklahoma. I am merely quoting him. I would be happy to ask the Chair to have read back his exact quote. He said abortion is not a fringe benefit. It is taking the life of an unborn child. Therein lies this debate. That is what he believes. He has said it in his own words.

I say to him that a woman's right to choose is legal. It is a legal health benefit for her to have that option. And to take it away from 1.2 million women who happen to be Federal employees and then to stand up here and say no, you wouldn't take it away from women who work for corporations, even though they get billions of dollars in subsidies, is an inconsistent position, in my view.

I yield 2 minutes to my friend from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me, first of all, thank my colleagues for speaking on this. I actually will be very brief. I just want to make one point.

The Senator from Ohio is a good friend. We have worked together on many issues. I just see it a little differently.

I really do believe we are talking about a health benefit that the Federal employees have negotiated. This is a part of their package. It is the same thing as the salary they make.

What the Senate is trying to say to employees, or workers, is we are going to take away that benefit. We are going to take away your health benefit. From the point of view of a lot of working people and from the point of view of just thinking about it, from the point of view of employers and employees, I do not think that is what we should be doing. I do not think that is what we should be doing. I think it is a mistake in terms of what kind of respect we have for labor. I think it is a mistake in terms of the kind of respect we should have for employees. I do not think on the floor of the Senate we should try to take action to take away a benefit, a very important benefit—access to abortion services—from Federal employees. I think that is a profound mistake. I hope my colleagues will vote against this.

The PRESIDING OFFICER. Who yields time?

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, not to take time, but I ask unanimous consent that Rachel Gragg and Ben Highton, who are two fellows, be granted the privilege of the floor. I reserve the remainder of our time.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mrs. BOXER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from California has 3 minutes 46 seconds. The Senator from Ohio has 9 minutes 58 seconds.

Mrs. BOXER. May I ask if the Senator would like to use his time?

Mr. DEWINE. I see no speakers on our side. I am not prepared to yield back, but we are getting down to the closing at this point.

Mrs. BOXER. I yield a minute and a half to Senator ROBB.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Virginia.

Mr. ROBB. Mr. President, I have not been present for all of the debate this time, but this issue has been before us many times in the past. I stand to oppose the amendment and to speak on behalf of the 1.2 million Federal employees who would be directly affected by the amendment. If this amendment were to pass, it would take away their health benefit rights which have been negotiated. The bottom line is, and I say this as one who represents a disproportionate number of Federal employees, this would make Federal employees, women who are eligible for this health benefit, second-class citizens. It would deny to them a benefit that is available to every other woman under every other private health plan that chooses to offer such coverage. I think it would be wrong.

I reserve the remainder of the time, and I thank the Senator from California and the Senator from Washington for their extraordinary leadership, again, on this very important issue.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Will the Senator from Ohio yield me 3 minutes?

Mr. DEWINE. I yield the Senator from Utah 3 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. BENNETT. Mr. President, I shall try to stay out of the more contentious part of this debate. But there is a point I think I have to make which has to do with the whole health care issue. That is, the health care system in this country is based on employer choice, not individual choice. I have spoken out against that. I did it during the debate on the Clintons' health care program. I have not made much headway, but this debate gives me the opportunity to point out, once again, that the benefits in a health care plan are always determined by the employer and not by the employee.

During the debate over the Clinton health care plan, people would say we should give everybody the same plan that you Senators have. I responded by saying I wish I had the same plan I had before I came to the Senate because I worked for an employer who gave me a better deal than the health care plan adopted by the Federal Government. I happened to be the CEO of that company. I, therefore, had something to say about what that deal would be.

I know of health care plans that deny pregnancy benefits. I would not want to work in such a place, having fathered six children. I took great advantage of the pregnancy benefits. But an employer could say and does often say: We can't afford pregnancy benefits. If you are going to have a baby, you are going to have to pay for it yourself.

Fortunately, during the period of time when I had no health care coverage because my employer could not afford it, we did not have any children. We had our six children under plans that provided pregnancy benefits. But it is not unusual for benefits to vary from company to company, from employer to employer, and for the employer to make the decision.

The decision will be made on the basis of the conscience of individual Senators. But let us understand that as the employers of Federal employees, we are not engaged in any unusual activity to make a decision as to which procedures will be covered and which will not, and there are a whole host of procedures in the Government health care plan that are not covered for which other plans pay.

That is the way the system works. I would like to change the system and give the individual the right to control those dollars absolutely, but I know of no program under our current tax laws where that is done, except in the case of the self-employed. Unfortunately, within this Chamber, we have made the decision not to allow the self-employed to deduct the entire cost of that decision.

I add those particular facts to this debate, trying to stay out of the more emotional side of it. I yield the floor.

Mrs. BOXER. Mr. President, how much time do we have left on our side?

The PRESIDING OFFICER. The Senator from California has 2 minutes 21 seconds.

Mrs. BOXER. I yield myself such time as I might consume.

Mr. President, abortion is legal in this country, and I know there are many on the other side particularly who do not like that. But it is legal. It is a health procedure that impacts on the rights of women, and the Supreme Court has said over and over it is legal.

This amendment by the Senator from Ohio, supported by the Senator from Pennsylvania and others, picks on women. It picks on a procedure only a woman would need. And it says to that woman: You cannot use your own health insurance to access the health care system for a procedure that you decide you want to have because it is legal in this country.

This amendment does not say you cannot use your health care insurance for a vasectomy. It does not target men and say you cannot use your own health insurance for a vasectomy. Some may not like that procedure. It does not say you cannot use your health insurance for Viagra. No, it picks on women, 1.2 million women.

My friend from Louisiana pointed out that corporations all over America offer their employees this benefit. We subsidize them every day with tax breaks and sometimes even direct payments, and yet we do not touch them.

We are picking on 1.2 million women who work for the Federal Government. It is wrong. These are good women. These are hard-working women. They deserve equal rights. They deserve dignity.

I hope some are listening to this debate and will come over and vote no, or if I move to table, will vote aye to table this amendment.

I reserve whatever few seconds I may have left.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. I yield myself such time as I may consume. How much time is available?

The PRESIDING OFFICER. The Senator from Ohio has 6 minutes 40 seconds and the Senator from California has 2 seconds.

Mr. DEWINE. Two seconds?

Mr. President, this matter has been debated out, and I believe everyone knows what the issue is. It is really not a question, though, of taking anything away from Federal employees. As I pointed out earlier, my amendment simply maintains the status quo. It keeps the current law. It keeps the law that has been in effect virtually for the last decade, with the exception of a 2-year period of time. It does not take anything away.

It simply says taxpayers' dollars will not be used to subsidize the payment for abortions. The vast majority of the American people do not believe their tax dollars should be used to pay for someone else's abortion. Poll after poll has disclosed that. That is all this amendment does.

My amendment would maintain the status quo that limits Federal employee health plans to cover abortions only in the case of rape, incest and threats to the life of a mother. That is what the amendment does. It is very simple. We have voted on it time and time again.

I simply ask my colleagues to follow the will of the American people. The American people are the employer in this case. As my colleague from Utah pointed out so very eloquently a moment ago, that is the way every other health plan is determined. The taxpayers of this country have the right to determine this plan, and they have the right to say their tax dollars will not be used to fund abortions.

Mrs. BOXER. Mr. President, I move to table the DeWine amendment.

The PRESIDING OFFICER. The motion to table is not in order while time remains.

Mr. DEWINE. If the Senator wants to yield back her 2 seconds, I am willing to yield back the several minutes I have left.

Mrs. BOXER. Absolutely.

Mr. DEWINE. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I move to table the DeWine amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1200. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

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

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—47

Akaka	Feinstein	Lincoln
Baucus	Graham	Mikulski
Bayh	Harkin	Moynihan
Bingaman	Hollings	Murray
Boxer	Inouye	Reed
Bryan	Jeffords	Robb
Byrd	Johnson	Rockefeller
Campbell	Kennedy	Sarbanes
Chafee	Kerrey	Schumer
Cleland	Kerry	Snowe
Collins	Kohl	Specter
Daschle	Landrieu	Stevens
Dodd	Lautenberg	Torricelli
Durbin	Leahy	Wellstone
Edwards	Levin	Wyden
Feingold	Lieberman	

NAYS—51

Abraham	Dorgan	Lugar
Allard	Enzi	Mack
Ashcroft	Fitzgerald	McConnell
Bennett	Frist	Nickles
Biden	Gorton	Reid
Bond	Gramm	Roberts
Breaux	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Cochran	Hatch	Smith (NH)
Conrad	Helms	Smith (OR)
Coverdell	Hutchinson	Thomas
Craig	Hutchison	Thompson
Crapo	Inhofe	Thurmond
DeWine	Kyl	Voinovich
Domenici	Lott	Warner

NOT VOTING—2

McCain	Murkowski

The motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 1200) was agreed to.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

UNANIMOUS CONSENT AGREEMENT—S. 1283

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that Senator COVERDELL's needle exchange amendment have 30 minutes of debate, 20 minutes under the control of Senator COVERDELL and 10 minutes under the control of Senator DURBIN, at the end of which time Senator COVERDELL will withdraw the amendment; Senator DURBIN's tuition assistance program amendment have 30 minutes of debate, with 20 minutes under the control of Senator DURBIN and 10 minutes under the control of Senator HUTCHISON, at the end of which time the amendment will be withdrawn; Senator DURBIN's sense-of-the-Senate amendment on D.C. quality of life, with 15 minutes under control of Senator DURBIN and 5 minutes under the control of Senator HUTCHISON, at the end of which time there will be a voice vote; Senator DASCHLE's Rock Creek Park amendment, with 20 minutes under the control of Senator DASCHLE, at the end of which time there will be a voice vote; two amendments by Senator DORGAN, with 5 minutes on each, controlled by Senator DORGAN, at the end of which time they will be accepted by managers; managers' amendments, and then a voice vote on final passage.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2000—continued

Mr. DORGAN addressed the Chair.

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

Mr. DORGAN. Mr. President, there are a number of amendments that Senator CAMPBELL and I have discussed, which we are prepared to accept. He has a number of them he will mention.

Let me mention the amendments by number that we are prepared to accept:

No. 1209, by Senator HARKIN, and he will be modifying that in a moment; amendment No. 1213, by Senator TORRICELLI; amendment No. 1212, by Senator WELLSTONE; amendment No. 1198, by Senator ENZI.

My understanding is that the remaining amendments that are pending will be withdrawn. My understanding, also, is that there is no request at this point for a recorded vote on final passage.

I am happy to yield to the chairman, Senator CAMPBELL.

Mr. CAMPBELL. Mr. President, the amendments Senator DORGAN mentioned have been cleared with the majority, and we are prepared to accept them.

Mr. DORGAN. Mr. President, I amend that to say that the Torricelli amendment, No. 1213, will be accepted as modified, and it is the same case with the Harkin amendment, No. 1209, as modified. That has been cleared on both sides of the aisle.

My understanding, at the moment, is that Senator SCHUMER from New York is not able to clear the Torricelli sense-of-the-Senate amendment No. 1213.

So we have cleared all of the remaining amendments that Senator CAMPBELL and I have just described: No. 1209, a Harkin amendment, as modified; No. 1212 by Senator WELLSTONE; and No. 1198 by Senator ENZI.

AMENDMENTS NOS. 1198, 1209, AND 1212, EN BLOC

Mr. DORGAN. Mr. President, I send three amendments to the desk, en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes amendments numbered 1198, 1209, and 1212, en bloc.

The amendments are as follows:

AMENDMENT NO. 1198

(Purpose: To include Campbell and Uinta Counties to the Rocky Mountain High Intensity Drug Trafficking Areas for the State of Wyoming)

On page 48, line 2, strike the period following ''HIDTA'', insert a colon (:), and after the colon insert the following: ''*Provided further*, That Campbell County and Uinta County are hereby designated as part of the Rocky Mountain High Intensity Drug Trafficking Area for the State of Wyoming.''

AMENDMENT NO. 1209

(Purpose: To provide additional funding to reduce methamphetamine usage in High Intensity Drug Trafficking Areas)

On page 47, strike lines 9 through 11 and insert in lieu thereof the following: ''Area Program, $205,277,000 for drug control activities consistent with the approve strategy for each of the designed High Intensity Drug Trafficking Areas, of which $7,000,000 shall be used for methamphetamine programs above the sums allocated in fiscal year 1999, $5,000,000 shall be used for High Intensity Drug Trafficking Areas that are designated after July 1, 1999 and $5,000,000 to be used at the discretion of the Office of National Drug Control Policy with no less than half of the $7,000,000 going to areas solely dedicated to fighting methamphetamine usage, of which''.

Amend page 53, line 3 by reducing the dollar figure by $17,000,000.

Amend page 51, line 15 by reducing the first dollar figure by $17,000,000.

Amend page 55, line 2 by reducing the figure by $17,000,000.

Mr. HARKIN. Mr. President, I am offering this amendment on behalf of myself, Senator DASCHLE, Senator GRAHAM, Senator BINGAMAN, Senator MURRAY, and Senator JOHNSON. Our amendment is simple and I believe makes common sense. It would give a needed shot in the arm to our war against drugs by modestly increasing funding for the High Intensity Drug Trafficking Areas—so-called HIDTAs—under the Office of National Drug Control Policy.

The bill before us freezes funding for this important and successful program. It provides no increases for the existing 31 HIDTAs across the Nation and it provides no funding for new HIDTAs. Our amendment would increase HIDTA funding by $17 million. It would provide $7 million to combat the rising scourge of methamphetamine abuse. It would provide $5 million to increase existing HIDTAs. And it would allot $5 million to allow the establishment and funding of new HIDTAs.

I fully recognize the challenges faced by the distinguished chair and ranking member of this Subcommittee. They were dealt a bad check and they have done a commendable job within the allocation they were given. However, we believe that we have found a reasonable offset—one that will not undermine the effective functioning of the government.

We would take $17 million—less then 2.5 percent from the General Services Administration account dedicated to the repair and alterations of federal government buildings. There is $624 million in this account and over $300 million of its goes for unspecified projects. I have no doubt that much of these funds are needed, but clearly $17 million could be absorbed or a short deferral of a project could be made in order to make room for a modest increase in our war on drugs.

The need for this increase in the HIDTA program could not be clearer, particularly as it relates to combating methamphetamine abuse.

There is a plague sweeping across our Nation, ruining an untold number of lives, and claiming countless numbers of our children.

On our streets as well as well as our classrooms, drugs have become more abundant. But there is a new drug, one that is far more addictive and readily available than heroin, cocaine, or any other illegal narcotic. Methamphetamine is fast becoming the leading addictive drug in this nation. From quiet suburbs, to city streets, to the corn rows of Iowa, meth is destroying thousands of lives every year. A majority of those lives, unfortunately, are our children.

Methamphetamine is commonly referred to as Iowa's drug of choice. This drug is reaching epidemic proportions as its sweeps from the west coast, ravages through the Midwest, and is now beginning to reach the east. The trail of destruction of human life as a result of methamphetamine addiction stretches across America from coast to coast.

To illustrate the violence meth elicits in people, methamphetamine is cited as a contributing factor in 80 percent of domestic violence cases in Iowa and a leading factor in a majority of violent crimes.

The $17 million we provide would be used for increased enforcement and prosecution of drug dealers, additional undercover agents, and to help pay for the tremendous cost of confiscation and clean up of clandestine meth labs.

I believe that we have a window of opportunity as a nation to take a stand right now to defeat the meth scourge plaguing our nation. Our amendment will not solve all of these problems, but it will give law enforcement the support that they vitally need in their efforts to defeat this dangerous drug.

While we debate this modest proposal, another family is being devastated, another community is fighting an uphill battle, and another child is getting hooked by this deadly drug. The time is now to make a stand to protect our communities and schools by passing this important amendment. I ask my colleagues to support this amendment.

AMENDMENT NO. 1212

(Purpose: To require the Secretary of Health and Human Services to provide bonus grants to high performance States based on certain criteria and collect data to evaluate the outcome of welfare reform, and for other purposes)

At the appropriate place, insert the following:

SEC. ___. EVALUATION OF OUTCOME OF WELFARE REFORM AND FORMULA FOR BONUSES TO HIGH PERFORMANCE STATES.

(a) ADDITIONAL MEASURES OF STATE PERFORMANCE.—Section 403(a)(4)(C) of the Social Security Act (42 U.S.C. 603(a)(4)(C)) is amended—

(1) by striking ''Not later'' and inserting the following:

''(i) IN GENERAL.—Not later'';

(2) by inserting ''The formula shall provide for the awarding of grants under this paragraph based on criteria contained in clause (ii) and in accordance with clauses (iii), (iv), and (v).'' after the period; and

(3) by adding at the end the following:

''(ii) FORMULA CRITERIA.—The grants awarded under this paragraph shall be based on—

''(I) employment-related measures, including work force entries, job retention, and increases in household income of current recipients of assistance under the State program funded under this title;

''(II) the percentage of former recipients of such assistance (who have ceased to receive such assistance for not more than 6 months) who receive subsidized child care;

''(III) the improvement since 1995 in the proportion of children in working poor families eligible for food stamps that receive food stamps to the total number of children in the State, and

''(IV) the percentage of members of families which are former recipients of assistance under the State program funded under this title (which have ceased to receive such assistance for not more than 6 months) who currently receive medical assistance under the State plan approved under title XIX or the child health assistance under title XXI.

For purposes of subclause (III), the term 'working poor families' means families which receive earnings equal to at least the comparable amount which would be received by an individual working a half-time position for minimum wage.

''(iii) EMPLOYMENT RELATED MEASURES.—Not less than $100,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on scores for the criteria described in clause (ii)(I) and the criteria described in clause (ii)(II) with respect employed former recipients.

''(iv) FOOD STAMP MEASURES.—Not less than $50,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this

paragraph for that fiscal year based on scores for the criteria described in clause (ii)(III).

''(v) MEDICAID AND SCHIP CRITERIA.—Not less than $50,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on scores for the criteria described in clause (ii)(IV).''.

(b) DATA COLLECTION AND REPORTING.—Section 411(a) of the Social Security Act (42 U.S.C. 611(a)) is amended by adding at the end the following:

''(8) REPORT ON OUTCOME OF WELFARE REFORM FOR STATES NOT PARTICIPATING IN BONUS GRANTS UNDER SECTION 403(a)(4).—

''(A) IN GENERAL.—In the case of a State which does not participate in the procedure for awarding grants under section 403(a)(4) pursuant to regulations prescribed by the Secretary, the report required by paragraph (1) for a fiscal quarter shall include data regarding the characteristics and well-being of former recipients of assistance under the State program funded under this title for an appropriate period of time after such recipient has ceased receiving such assistance.

''(B) CONTENTS.—The data required under subparagraph (A) shall consist of information regarding former recipients, including—

''(i) employment status;

''(ii) job retention;

''(iii) poverty status;

''(iv) receipt of food stamps, medical assistance under the State plan approved under title XIX or child health assistance under title XXI, or subsidized child care;

''(v) accessibility of child care and child care cost; and

''(vi) measures of hardship, including lack of medical insurance and difficulty purchasing food.

''(C) SAMPLING.—A State may comply with this paragraph by using a scientifically acceptable sampling method approved by the Secretary.

''(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to ensure that—

''(i) data reported under this paragraph is in such a form as to promote comparison of data among States; and

''(ii) a State reports, for each measure, changes in data over time and comparisons in data between such former recipients and comparable groups of current recipients.''.

(c) REPORT OF CURRENTLY COLLECTED DATA.—Not later than July 1, 2000, the Secretary of Health and Human Services shall transmit to Congress a report regarding earnings and employment characteristics of former recipients of assistance under the State program funded under this part, based on information currently being received from States. Such report shall consist of a longitudinal record for a sample of States, which represents at least 80 percent of the population of each State, including a separate record for each of fiscal years 1997 through 2000 for—

(1) earnings of a sample of former recipients using unemployment insurance data;

(2) earnings of a sample of food stamp recipients using unemployment insurance data, and

(3) earnings of a sample of current recipients of assistance using unemployment insurance data.

(d) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) applies to each of fiscal years 2000 through 2003.

(2) The amendment made by subsection (b) applies to reports in fiscal years beginning in fiscal year 2000.

Mr. DORGAN. Mr. President, I ask unanimous consent that these amendments be agreed to.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 1198, 1209, and 1212) were agreed to.

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

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENTS NOS. 1205, 1196, 1194, 1199, 1204, 1217, AND 1206

Mr. CAMPBELL. Mr. President, I ask unanimous consent to modify amendment No. 1205 and ask for its immediate adoption.

I ask unanimous consent to withdraw amendment No. 1196 by Senator KYL.

I ask unanimous consent to withdraw amendment No. 1194 by Senator WARNER, amendment No. 1199 by Senator GRASSLEY, amendment No. 1204 by Senator HUTCHISON, amendment No. 1217 by Senator COCHRAN, and amendment No. 1206 by Senator BAUCUS.

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

Amendment No. 1205, as modified, is as follows:

On page 11, strike line 17, and insert the following: ''$39,320,000 may be used for the Youth Crime Gun Interdiction Initiative, of which $1,120,000 shall be provided for the purpose of expanding the program to include Las Vegas, Nevada.

On page 11, line 18, strike ''diction Initiative.''

On page 62, line 9 strike through page 62 line 15.

The amendment (No. 1205), as modified, was agreed to.

AMENDMENT NO. 1210 WITHDRAWN

Mr. CAMPBELL. Mr. President, I ask unanimous consent to withdraw amendment No. 1210 by Senator SCHUMER.

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

AMENDMENT NO. 1198

Mr. CAMPBELL. Mr. President, amendment No. 1198 has been cleared by both sides. I ask unanimous consent that it be agreed to.

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

The amendment (No. 1198) was agreed to.

AMENDMENT NO. 1213 WITHDRAWN

Mr. DORGAN. Mr. President, I have visited with Senator TORRICELLI. He is willing to withdraw the amendment, provided that he is offered 5 minutes to discuss it. Senator SCHUMER would like 5 minutes as well. They are willing to do that when we finish the wrap-up.

I ask unanimous consent to withdraw amendment No. 1213 on behalf of Senator TORRICELLI.

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

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Michelle Vidovic be able to be on the floor of the Senate for the rest of our proceedings tonight.

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

Mr. DORGAN. Mr. President, I ask unanimous consent that any remaining amendments at the desk be withdrawn.

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

AMENDMENTS NOS. 1208, AS MODIFIED, 1218, 1219, AND 1220, EN BLOC

Mr. CAMPBELL. Mr. President, I send to the desk a managers' package of amendments, and I ask unanimous consent they be considered en bloc.

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

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. CAMPBELL) proposes amendments numbered 1208, as modified, 1218, 1219, and 1220, en bloc.

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

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

The amendments are as follows:

AMENDMNT NO. 1208 AS MODIFIED

(Purpose: To ensure that health and safety concerns at the Federal courthouse at 40 Centre Street in New York, New York, are alleviated)

Page 56, Line 6, after ''Missouri;'' insert and $1,250,000 shall be available for the repairs and alteration of the Federal Courthouse at 40 Center Street, New York, NY.''

AMENDMENT NO. 1218

On page 62, line 8 after ''building operations'' insert ''*Provided*, That the amounts provided above under this heading for rental of space, building operations and in aggregate amount for the Federal Buildings Fund, are reduced accordingly''.

AMENDMENT NO. 1219

At the appropriate place, at the end of the General Services Administration, General Provisions insert the following new sections:

''SEC. 411. Notwithstanding 31 U.S.C. 1346, funds made available for fiscal year 2000 by this or any other Act to any department or agency, which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP salaries and administrative costs.

''SEC. 412. The Administrator of General Services may provide from government-wide credit card rebates, up to $3,000,000 in support of the Joint Financial Management Improvement Program as approved by the Chief Financial Officers Council.''.

AMENDMENT NO. 1220

(Purpose: To require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories)

On page 98, insert between lines 4 and 5 the following:

SEC. 636. ITEMIZED INCOME TAX RECEIPT.

(a) IN GENERAL.—Not later than April 15, 2000, the Secretary of the Treasury shall establish an interactive program on an Internet website where any taxpayer may generate an itemized receipt showing a proportionate allocation (in money terms) of the taxpayer's total tax payments among the major expenditure categories.

(b) INFORMATION NECESSARY TO GENERATE RECEIPT.—For purposes of generating an itemized receipt under subsection (a), the interactive program—

(1) shall only require the input of the taxpayer's total tax payments, and

(2) shall not require any identifying information relating to the taxpayer.

(c) TOTAL TAX PAYMENTS.—For purposes of this section, total tax payments of an individual for any taxable year are—

(1) the tax imposed by subtitle A of the Internal Revenue Code of 1986 for such taxable year (as shown on his return), and

(2) the tax imposed by section 3101 of such Code on wages received during such taxable year.

(d) CONTENT OF TAX RECEIPT.—

(1) MAJOR EXPENDITURE CATEGORIES.—For purposes of subsection (a), the major expenditure categories are:

(A) National defense.

(B) International affairs.

(C) Medicaid.

(D) Medicare.

(E) Means-tested entitlements.

(F) Domestic discretionary.

(G) Social Security.

(H) Interest payments.

(I) All other.

(2) OTHER ITEMS ON RECEIPT.—

(A) IN GENERAL.—In addition, the tax receipt shall include selected examples of more specific expenditure items, including the items listed in subparagraph (B), either at the budget function, subfunction, or program, project, or activity levels, along with any other information deemed appropriate by the Secretary of the Treasury and the Director of the Office of Management and Budget to enhance taxpayer understanding of the Federal budget.

(B) LISTED ITEMS.—The expenditure items listed in this subparagraph are as follows:

(i) Public schools funding programs.

(ii) Student loans and college aid.

(iii) Low-income housing programs.

(iv) Food stamp and welfare programs.

(v) Law enforcement, including the Federal Bureau of Investigation, law enforcement grants to the States, and other Federal law enforcement personnel.

(vi) Infrastructure, including roads, bridges, and mass transit.

(vii) Farm subsidies.

(viii) Congressional Member and staff salaries.

(ix) Health research programs.

(x) Aid to the disabled.

(xi) Veterans health care and pension programs.

(xii) Space programs.

(xiii) Environmental cleanup programs.

(xiv) United States embassies.

(xv) Military salaries.

(xvi) Foreign aid.

(xvii) Contributions to the North Atlantic Treaty Organization.

(xviii) Amtrak.

(xix) United States Postal Service.

(e) COST.—No charge shall be imposed to cover any cost associated with the production or distribution of the tax receipt.

(f) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out this section.

Mr. CAMPBELL. Mr. President, the package of amendments I have sent to the desk has been agreed to by both sides. This package includes the following items:

One technical corrections in the GSA Federal Buildings Fund; addition of language regarding the Joint Financial Management Improvement Program; an amendment on itemized income tax receipts for Senator SCHUMER; and modifications to amendment No. 1208 for Senator MOYNIHAN.

I urge their adoption.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 1208, as modified, 1218, 1219, 1220, and 1221) were agreed to.

AMENDMENTS NOS. 1215, 1216, 1189, AND 1190 WITHDRAWN

Mr. CAMPBELL. Mr. President, I ask unanimous consent to withdraw amendment No. 1215 by Senator GRAHAM, No. 1216 by Senator GRAHAM, No. 1189 by Senator MOYNIHAN, and No. 1190 by Senator MOYNIHAN.

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

AMENDMENT NO. 1192

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Senate now consider amendment No. 1192. I ask for its immediate consideration. It has been accepted by both sides. I urge its adoption.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. CAMPBELL) proposes an amendment numbered 1192.

AMENDMENT NO. 1192

On page 51, line 15 and on page 57, line 14 strike ''5,140,000,000'' and insert in lieu thereof ''$5,261,478,000''.

On page 53, line 2 after ''are rescinded'' insert ''and shall remain in the Fund''.

Mr. CAMPBELL. Mr. President, I repeat that this amendment has been cleared by both sides. I urge its adoption.

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

The amendment (No. 1192) was agreed to.

Mr. DOMENICI. Mr. President, I rise in support of S. 1282, the Treasury and General Government Appropriations bill for FY 2000, as reported by the Senate Committee on Appropriations.

I commend the distinguished chairman and the ranking member for bringing the Senate a carefully crafted spending bill within the Subcommittee's 302(b) allocation and consistent with the discretionary spending caps for FY 2000.

The pending bill provides $27.6 billion in budget authority and $24.7 billion in new outlays for FY 2000 to fund the programs of the Department of the Treasury, including the Internal Revenue Service, U.S. Customs Service, and Bureau of Alcohol, Tobacco and Firearms; the Executive Office of the President; the Postal Service; and related independent agencies. With outlays from prior-years and other completed actions, the Senate bill totals $27.8 billion in budget authority and $28.2 billion in outlays.

For discretionary spending, which represents just under half the funding in the bill, the Senate bill is at the Subcommittee's 302(b) allocation for budget authority, and it is $109 million in outlays below the 302(b) allocation. The Senate bill is $0.5 billion in both BA and outlays below the President's budget request.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of the bill be printed in the RECORD.

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

S. 1282 TREASURY-POSTAL APPROPRIATIONS, 2000—SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 2000, in millions of dollars]

	General purpose	Crime	Mandatory	Total
Senate-Reported Bill:				
Budget authority	13,204	194	14,385	27,783
Outlays	13,708	128	14,394	28,230
Senate 302(b) allocation:				
Budget authority	13,204	194	14,385	27,783
Outlays	13,817	128	14,394	28,339
1999 level:				
Budget authority	13,889	132	13,439	27,460
Outlays	12,762	131	13,439	26,332
President's request:				
Budget authority	13,792	132	14,385	28,309
Outlays	14,247	127	14,394	28,768
House-passed bill:				
Budget authority	.....	.....	.....	.....
Outlays	.....	.....	.....	.....
SENATE-REPORTED BILL COMPARED TO:				
Senate 302(b) allocation:				
Budget authority	.....	.....	.....	.....
Outlays	(109)	.....	.....	(109)
1999 level:				
Budget authority	(685)	62	946	323
Outlays	946	(3)	955	1,898
President's request:				
Budget authority	(588)	62	.....	(526)
Outlays	(539)	1	.....	(538)
House-passed bill:				
Budget authority	13,204	194	14,385	27,783
Outlays	13,708	128	14,394	28,230

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

Mr. MCCAIN. Mr. President, I want to thank the managers of this bill for their hard work in putting forth this legislation which provides federal funding for numerous vital programs. However, I am sad to say, once again, I find myself in the unpleasant position of speaking about unacceptable levels of parochial projects in another appropriations bill.

I have asked rhetorically on the floor of the Senate many times when we are going to stop this destructive and irresponsible practice of earmarking special-interest pork-barrel projects in appropriations bills primarily for parochial reasons. I have yet to receive an answer and this practice has neither stopped nor slowed. Last year's Treasury Postal Appropriations bill contained well over $826 million in specifically earmarked pork-barrel spending.

This year's bill is a drastic improvement over last year's bill in that it only contains a little over $293.6 million in wasteful, pork-barrel spending. $293.6 million of waste is much better than $826 million of waste, but waste is still waste.

Where does all this pork go? Well, as usual, this bill contains millions on top of millions for court house construction and repairs. We have $11,606,000 earmarked for repairs and alterations to the Frank M. Johnson, Jr. Federal Building—U.S. Courthouse in Montgomery, Alabama, and $21,098,000 for repairs and alterations to the Federal Building—U.S. Courthouse Annex in Anchorage, Alaska. I know that these court houses may be in dire need of repair and modernization. But are these particular projects more important than the litany of other court houses competing for funding? The process by which these two earmarks were added makes it impossible to assess the relative merit of these programs against all other priority needs.

In addition to earmarks for court houses, this bill contains the usual earmarks of money for locality-specific projects such as: $500,000 for the State Patrol Digital Distance Learning project to help the Nebraska State Patrol create computer-based training programs, and $250,000 to the Fort Buford reconstruction project for planning and design of the reconstruction of this Fort—a Lewis and Clark ''Corps of Discovery'' site.

Then there are the many sections of the report which have language strongly urging various Departments of the Federal Government to recognize or participate in a joint-venture with a particular project in a state. While these objectionable provisions have no direct monetary effect on the bill, this not-so-subtle ''urging'' is sure to have some financial benefit for someone or some enterprise in a member's home state. For example: Report language urging the continuation and expansion of the collaboration between the University of North Dakota and the Customs Service for rotorcraft training, and report language urging GSA to strongly consider the U.S. Olympic Committee's need for additional space and to give priority to the USOC's request to gain title or acquire the property located at 1520 Willamette Avenue in Colorado Springs, Colorado.

This bill also selects particular sites across the country for which the report language either provides additional spending for extra staff and personnel, or ''urges'' the Agency not to reduce its staff. For example: $750,000 for part-time and temporary positions in the Honolulu Customs District, Report language designating the Hector International Airport as an International Port of Entry, to be adequately staffed and equipped so that the users of the facility are provided efficient services, and report language directing the Customs Service to ensure that staffing levels are sufficient to staff and operate all New Mexico border facilities.

Why are these facilities protected at a time when each agency is required to abide by the Government Program Reduction Act which mandates that they operate more efficiently with less bureaucracy? Even if these positions are critical, why are they not prioritized in the normal administrative process?

Everyone knows that we are very close to breaking the spending caps. We have not done so as of yet. I hope my colleagues understand that just because we can fund these programs of questionable merit within the spending caps, that does not mean we have the right to spend tax payers' hard-earned dollars in such an irresponsible fashion.

I am constantly amazed by the arbitrary fashion by which the Appropriations Committee chooses to allocate the dollars that should be spent only for important and necessary federal programs.

The examples of wasteful spending that I have highlighted in this floor statement is just the tip of the iceberg. There are many more low-priority, wasteful, and unnecessary projects on the extensive list I have compiled, and I ask unanimous consent that the list be printed in the RECORD.

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

OBJECTIONABLE PROVISIONS CONTAINED IN S. 1282 THE TREASURY DEPARTMENT, THE UNITED STATES POSTAL SERVICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS BILL.

BILL LANGUAGE

Department of the Treasury

$9,200,000 for the Federal Law Enforcement Training Center for construction of two firearms ranges at the Artesia Center in NM.

$900,000 is earmarked for a land grant university in North and/or South Dakota to conduct a research program on the United States/Canadian bilateral trade of agricultural commodities and products.

$150,000 for official reception and representation expenses associated with hosting the Inter-American Center of Tax Administration (CIAT) 2000 Conference.

Independent agencies

An earmark of $35,000,000 in Montgomery County, Maryland, for FDA Consolidation.

$8,263,000 is earmarked for new construction of a border station in Sault Sainte Marie, Michigan.

$753,000 for new construction of a border station in Roosville, Montana.

An $11,480,000 earmark for new construction of a border station in Sweetgrass, Montana.

$277,000 for new construction of a border station in Fort Hancock, Texas.

$11,206,000 for new construction of a border station in Oroville, Washington.

$11,606,000 is earmarked for repairs and alterations to the Frank M. Johnson, Jr. Federal Building—U.S. Courthouse in Montgomery, Alabama.

$21,098,000 for repairs and alterations to the Federal Building—U.S. Courthouse Annex in Anchorage, Alaska.

A $6,831,000 earmark for repairs and alterations to the USGB Building 1 in Menlo Park, California.

$5,284,000 for repairs and alterations to the USGS Building 2 in Menlo Park, California.

A $7,948,000 earmark for repairs and alterations to the Moss Federal Building—U.S. Courthouse in Sacramento, California.

$1,100,000 for repairs and alterations in the Interior Building (Phase 1) in the District of Columbia.

$47,226,000 for repairs and alterations in the Main Justice Building (Phase 2) in the District of Columbia.

$10,511,000 is earmarked for repairs and alterations to the State Department Building (Phase 2) in the District of Columbia.

$36,705,000 for repairs and alterations to the Metro West Building in Baltimore, Maryland.

A $25,890,000 earmark for repairs and alterations to the Social Security Administration Annex in Woodlawn, Maryland.

$10,989,000 for repairs and alterations to the Bishop H. Whipple Federal Building in Ft. Snelling, Minnesota.

$8,537,000 for repairs and alterations to the Federal Building at 500 Gold Avenue in Albuquerque, New Mexico.

$7,234,000 for repairs and alterations to the Celebrezze Federal Building in Cleveland, Ohio.

An earmark of $1,600,000 for the repairs and alterations of the Kansas City Federal Courthouse at 811 Grand Avenue, Kansas City, Missouri.

$2,750,000 for GSA to enter into a memorandum of understanding with the North Dakota State University to establish a Virtual Archive Storage Terminal.

General provisions

Language indicating that no funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance, the entity will comply with sections 2 through 4 of the Act of March 3, 1993, popularly known as the ''Buy American Act.''

Language indicating that entities receiving assistance should, in expending the assistance purchase only American-made equipment and products.

REPORT LANGUAGE

Report language directing the Director of Federal Law Enforcement Training Center (FLETC) to provide up to $300,000 to a graduate level criminal justice program in a Northern Plains State which can provide causal research on the link between youth and criminal activity in rural locations.

Report language requesting that FLETC give special consideration to the training facilities at the Odegard School for Aerospace Sciences, at the University of North Dakota and at law enforcement training facilities in North Dakota.

$1,290,000 for the counter-terrorism facility at Glynco, Georgia.

Report language that the ''Acquisition, construction, improvements, and related expenses'' account covers major maintenance and facility improvements, construction, renovation, capital improvements, and related equipment at FLETC facilities in Glynco, GA, and Artesia, NM.

Report language urging that strong consideration be given to an application from Greenville, South Carolina for the Gang Resistance Education and Training [GREAT] Program.

Report language requesting that the Bureau of Alcohol, Tobacco, and Firearms give strong consideration to designating South Carolina and Las Vegas, Nevada as Youth Crime Gun Interdiction Initiative [YCGII] locations.

Report language designating the Hector International Airport in Fargo, North Dakota as an International Port of Entry, to be adequately staffed and equipped so that the users of the facility are provided efficient services.

Report language encouraging the Customs Service to pay close attention to the border facilities in Pembina and Minot, North Dakota.

Report language instructing Customs to maintain current staffing levels in Arizona in fiscal year 2000 and to report on what resources are necessary to reduce wait times along the Southwest border to twenty minutes.

Report language directing the Customs Service to maintain the level of services provided in fiscal year 1996 through fiscal year 2000 at the Charleston, West Virginia, Customs office.

$750,000 for part-time and temporary positions in the Honolulu Customs District.

Report language directing the Customs Service to ensure that staffing levels are sufficient to staff and operate all New Mexico border facilities.

Report language urging the Customs Service to give high priority to funding sufficient inspection personnel at ports of entry in Florida for fiscal year 2000.

Report language urging the Customs Service to consider allocation to smaller States and rural areas with particular emphasis on Vermont when reviewing its staffing requirements.

Report language expressing the Committee's concerns about the adequacy of staffing levels at the Great Falls, Montana port.

Report language urging the continuation and expansion of the collaboration between the University of North Dakota and the Customs Service for rotorcraft training.

Report language indicating the Committee's continued support of adequate staffing levels for tax administration and its support of the staffing plans for the Internal Revenue Service facilities in the communities of Martinsburg and Beckley, West Virginia.

Report language indicating that Section 105, an administrative provision of the Internal Revenue Service, continues a provision which provides that no reorganization of the field office structure of the Internal Revenue Service Criminal Investigation Division will result in a reduction of criminal investigators in Wisconsin and South Dakota from the 1996 level.

Report language directing the Postal Service to work with the State of Alaska and the Alaska Federation of Natives to develop an inspection program to stop the criminal use of the mail where the U.S. Postal Service is being used to transport drugs to remote villages in Alaska.

Report language indicating the Committee's awareness that the U.S. Postal Service has announced that it will purchase and deploy ethanol flexible fuel vehicles over the next two years.

Report language encouraging the Director to consider convening a national conference on rural drug crime to include regional conferences in rural areas, such as those in South Carolina and Vermont, in order to assess the needs of rural law enforcement and the impact of drug related crimes.

Report language encouraging the Office of National Drug Control Policy [ONDCP] to work with the State of North Carolina to develop and implement a plan to designate North Carolina as a High Intensity Drug Trafficking Area with a focus on intensified interdiction along its interstate and national highways.

Report language requesting that GSA review the District Court of Vermont's proposal to relocate to a new facility, and that the GSA work with the Courts to determine how to address logistical, safety and space concerns at the Burlington Courthouse and Federal Building.

Report language urging the General Services Administration to work with the Bureau of Alcohol, Tobacco and Firearms to provide the necessary expanded facilities to meet the chronic space needs at the National Tracing Center in Martinsburg, West Virginia.

Report language urging GSA to strongly consider the U.S. Olympic Committee's [USOC] need for additional space and to give priority to the USOC's request to gain title or acquire the property located at 1520 Willamette Avenue in Colorado Springs, Colorado.

Report language encouraging the GSA to assist the Salt Lake Organizing Committee for the Winter and Paralympic Games in 2002 as well as the 2001 World Police and Fire Games in Indiana.

Report language stating that a study of the causes, the impact, the effect, and the options for reversing de-population shall be undertaken by the universities of the following four states: Montana, Iowa, Colorado, and North Dakota.

$500,000 for the State Patrol Digital Distance Learning project to help the Nebraska State Patrol create computer-based training programs.

An $800,000,000 earmark for the repair, alteration, and improvements of the Ronald Reagan Presidential Library and Museum in Simi Valley, California.

$250,000 to the Fort Buford reconstruction project for planning and design of the reconstruction of this Fort—a Lewis and Clark ''Corps of Discovery'' site.

Mr. MCCAIN. In closing, I urge my colleagues on both sides of the Capitol and on both sides of the aisle to develop a better standard which curbs our habit of funneling hard-earned taxpayer dollars to locality-specific special interests.

Mr. SANTORUM. Mr. President, I have sought recognition to express my support for Courthouse Construction funding for the U.S. federal courthouse in Erie, Pennsylvania. This courthouse is in dire need of repair, and the Administrative Office of the U.S. Courts has placed the Erie Federal Courthouse on its priority list, and the General Services Administration is in the final stages of completing the design for the refurbished complex, which will be ready for construction in FY2000. Specifically, this project involves the alteration of the existing Erie Federal Building, the acquisition, repair and alteration of the adjacent Erie County Library building for the bankruptcy court and court of appeals; and the construction of a new courthouse annex for the district court. The current courthouse provides inadequate space and is not consolidated in a single location, presenting logistical and security concerns for jurors, judges, attorneys, and the public. The project, which will be a major step in the revitalization of downtown Erie, will rely substantially on the rehabilitation of existing structures as opposed to more costly, new construction.

I understand that the President's budget did not include funding for courthouse construction for the third consecutive year. This failure to provide funding for the needs of our judicial system is a serious oversight that should not stand in the way of the safety and security of my constituents in Erie.

I look forward to working with the Chairman of the Treasury and General Government Subcommittee, Senator CAMPBELL, and my colleague from Pennsylvania, Senator SPECTER, to ensure that this project receives funding as soon as possible. In the meantime, I urge the General Services Administration to take any necessary actions to rectify safety concerns or logistical problems that may result from this lapse in funding.

Mr. CAMPBELL. I welcome the comments by the Senator from Pennsylvania and look forward to continuing to work with him on this request. I am well aware of the importance he places on the proposed improvements to the Erie Federal Courthouse and recognize the significance of timely action on this request.

FY2000 APPROPRIATIONS FOR THE HIDTA PROGRAM

Mr. GRAMS. Mr. President, I rise today to express my support for S. 1282, the Fiscal Year 2000 Treasury, Postal Service, and General Government Appropriations bill. In particular, I commend the Senate Appropriations Committee for its support of the High Intensity Drug Trafficking Area program within this legislation.

The High Intensity Drug Trafficking Area program was established in 1988 to assist state and local governments to investigate, prosecute and prevent illegal drug production and trafficking. Since 1990, the Office of National Drug Control Policy has designated twenty-six regions of the nation as High Intensity Drug Trafficking Areas. Most recently, the States of Ohio, Oregon, and Hawaii were among those areas granted HIDTA status to help improve coordination of drug control efforts.

Unfortunately, communities in my home state of Minnesota continue to be threatened by drug abuse and illegal drug trafficking, particularly methamphetamine. In recent years, methamphetamine has become the drug of choice throughout Minnesota, and is closely associated with increased violent crime. In my recent meeting with Office of National Drug Control Policy Director General Barry McCaffrey, he referred to methamphetamine as ''the worst drug that ever hit America.''

The alarming rate of meth production and trafficking has been caused by

small, independent organizations that run clandestine laboratories in apartment complexes, farms, motel rooms and residences with inexpensive, over-the-counter-materials. The secretive nature of the manufacturing process involves toxic chemicals, and frequently results in fires, damaging explosions, and destruction to our environment. A constituent from Benson, Minnesota underscored the devastating effects of illegal meth production when he wrote, ''The resultant crime and addition problems are destroying small and mid-sized rural communities.''

The high volume of meth trafficking in Minnesota has also placed enormous strain on the resources of those federal and state law enforcement agencies investigating abuse of this deadly substance. In 1998, for example, task forces from Freeborn County, Hennepin County, and Washington County seized a total of fourteen meth labs, an increase from five seizures in 1997. In 1998, the Minneapolis-St. Paul Resident Office of the Drug Enforcement Agency seized more than 200 pounds of meth, compared to 67 pounds seized in 1997.

Mr. President, Minnesota's local law enforcement community has begun to strengthen its strategy for combating illegal drug use. By September 1, a committee that includes representatives from the U.S. Attorney's Office, the Minnesota Sheriffs Association, the Minnesota Attorney General's Office, and the Minnesota Department of Public Safety will submit its proposed HIDTA initiative to the Office of National Drug Control Policy.

When this designation is granted, Minnesota will receive federal assistance to improve antidrug efforts currently underway by local prosecutors, sheriffs, police chiefs and state law enforcement officials. I ask unanimous consent that following my remarks, a complete list of the federal and state agencies developing this proposal be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. GRAMS. Mr. President, over the last several months, I have also worked to focus attention on the value of the HIDTA program to communities throughout Minnesota. This past Spring, I presented the need for a ''Minnesota HIDTA'' to Office of National Drug Control Policy Director Barry McCaffrey during the May edition of my monthly cable television program. As the administrator of the HIDTA program, General McCaffrey clearly understands that although law enforcement is primarily a local responsibility, the federal government can support the ability of local law enforcement to investigate and prosecute serious drug offenders.

I am pleased to have included a provision within S. 899, ''The 21st Century Justice Act'' that underscores the need for additional federal antidrug resources in Minnesota. This provision directs the Office of National Drug Control Policy to establish a ''Northern Border High Intensity Drug Trafficking Area'' that would include the State of Minnesota. It also authorizes $2.7 million in Fiscal Year 2000 to improving coordination of antidrug efforts currently underway by local prosecutors, sheriffs, police chiefs, and state law enforcement officials.

Again, I commend the Senate for its support for the High Intensity Drug Trafficking Area program. I will continue to work with law enforcement officials, my colleagues in the Senate, and the Office of National Drug Control Policy to ensure that localities have the assistance they need to protect our communities from crime and drug abuse.

EXHIBIT NO. 1

United States Attorney's Office-District of Minnesota
Bureau of Alcohol, Tobacco and Firearms
Drug Enforcement Administration
Federal Bureau of Investigation
Hennepin County Sheriffs Office
Internal Revenue Service/CID
Minnesota Department of Criminal Apprehension
Minnesota Attorney General's Office
Minnesota Chiefs of Police Association
Minnesota Department of Public Safety
Minnesota Sheriffs Association
Minnesota State Patrol
St. Paul Police Department
United States Customs, Office of Enforcement
United States Immigration and Naturalization Service.

Mr. GRASSLEY. Mr. President, I am concerned about a $257,000,000 decrease in appropriated funding for the United States Customs Service. Last year, Congress aided this agency through the Omnibus and Emergency Supplemental Appropriations, that devotes a large percentage of its aggregate budget to preventing the smuggling of Narcotics into the United States, with an additional $265,000,000. The Appropriations committee, this year, also recognizing the need of the Customs Service to react to changing smuggling modes and complex money laundering schemes increased the Customs Service total funding by $315,000,000. This is $315,000,000 over the President's budget estimate and Congress needs to maintain this effort. Drug trafficking is a never-ending battle. The demand for illegal drugs in the United States remains strong. The U.S. Customs Service is one of our front line drug enforcement agencies that protects America's borders every day from professional drug traffickers and money launders. Congress needs to fully and adequately fund the salaries and expenses and needed modernization for one of our major first line counter-drug agencies.

I am aware of the hard choices the Committee had to make in coming up with the current funding level for Customs. But I strongly feel that we must do more. Not only has legal trade expanded dramatically but so has illegal drug trafficking and alien smuggling. We have not supported the modernization or expansion of Customs to keep pace. We cannot maintain our commitment to fighting the smuggling of illegal drugs without more and better.

PROFESSIONAL LIABILITY INSURANCE COVERAGE FOR SENIOR FEDERAL EMPLOYEES

Mr. WARNER. Mr. President, I have offered an amendment to the Treasury, Postal and General Government Appropriations bill to ensure that federal managers and law enforcement officials in all federal departments and agencies receive the same benefits concerning professional liability insurance. Today, several federal departments contribute to the costs of professional liability insurance for federal managers and law enforcement officials. Other large federal departments do not contribute to assisting federal managers obtain this insurance.

This professional liability insurance is essential as many federal managers are personally absorbing the significant costs of obtaining legal representation in cases where complaints have been brought against. Often, allegations have been made by citizens, against whom federal officials were enforcing the law and by employees who had performance or conduct problems.

I have been working with Chairman COCHRAN of the Government Affairs Subcommittee on International Security, Proliferation and Federal Services to address this important issue and I welcome his views on this matter.

Mr. COCHRAN. I agree with Senator WARNER that this is an issue that must be addressed. In prior action, the Congress provided the authority for federal departments and agencies to contribute one-half of the costs of obtaining professional liability insurance for federal managers and law enforcement officials. Unfortunately, this benefit has not been offered by all federal departments. I am committed to working with Senator WARNER to address this issue and to ensure that all federal managers and law enforcement officials are treated fairly.

Mr. WARNER. I thank Chairman COCHRAN for his attention to this issue. This is an important matter that is critical to ensuring that the federal government can attract and retain qualified professionals in federal service.

At this time I will withdraw my amendment and look forward to working with Chairman COCHRAN, Chairman THOMPSON and other members of the Government Affairs Committee.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Mr. CLELAND. Mr. President, I want to clarify with the ranking member of

the Treasury Appropriations Subcommittee the intent of this bill regarding its appropriation of $80.1 million for salaries and expenses at the Federal Law Enforcement Training Center (FLETC) located in Glynco, GA. This appropriation is $6 million less than the $86 million for salaries initially requested by FLETC. It is my understanding that the lion's share of this reduction is simply the result of a readjustment based on what the Subcommittee and Committee believe will be the actual workload at FLETC and not an indication of the Committee's intent that there be any reduction in FLETC's ability to fulfill its mission. Does the Senator care to comment?

Mr. DORGAN. The Senator is correct. The $6 million reduction is the result of the Subcommittee's re-estimation of the likely workload at FLETC combined with a small across-the-board cut on all salaries covered by the Treasury Department appropriations bill.

Mr. CLELAND. I thank the Senator. Should the actual workload at FLETC result in an appropriations need beyond what is provided for in this bill, does the Senator believe that the committee would consider alternative funding sources to ensure FLETC could fulfill its mission?

Mr. DORGAN. The committee recognizes FLETC's important role in providing quality training to the nation's law enforcement personnel, and it is fully supportive of providing the funding necessary for the center to effectively carry out the mission for which it was created.

Mr. COVERDELL. I thank the Senators for their comments and the ranking member for his commitment to FLETC. It is important that Congress preserve FLETC's intent and function and I am glad to know that this bill continues Congressional support for, and commitment to, this important training center. I ask Chairman CAMPBELL if he cares to comment on this matter.

Mr. CAMPBELL. Yes, and I echo the sentiments of the ranking member. The amount appropriated by the Committee for salaries and expenses does not indicate a lower level of support for FLETC. The Senators are correct in their understanding of this matter and the Committee will continue efforts to preserve consolidated federal law enforcement training at FLETC.

Mr. COVERDELL. Mr. President, I would like to clarify with the chairman the intent of this bill regarding the Federal Law Enforcement Training Center and its facilities in Glynco, GA. Is it the Chairman's belief that the appropriations bill now before this body, S. 1282, preserves the intent and function of FLETC and takes the appropriate steps to move forward with FLETC's five year modernization plan?

Mr. CAMPBELL. I thank the Senator for his question. Yes, I do believe that this bill preserves the intent and function of FLETC. FLETC serves an important role for federal law enforcement training and through this bill I have taken steps to help it toward completion of its five year plan.

Mr. COVERDELL. I thank the chairman. I understand that $4.6 million has been funded in FLETC's base construction account and the Committee is directing the Treasury Department to use the money for a chilled water system expansion at FLETC's facility in Glynco, GA even though it was not specifically mentioned in the bill or report language.

Mr. CAMPBELL. The Senator is correct. These funds along with $900,000 for the completion of a new classroom in Artesia, NM will complete FLETC's fiscal year 2000 5-year plan funding requirements and will keep the effort to expand FLETC's capacity moving forward and on time.

Mr. COVERDELL. I thank the chairman for his support of this important program and for his commitment to FLETC's modernization effort.

Mr. CLELAND. I thank the two Senators for their statement. I am very pleased that this bill continues the commitment of the Committee, and the Subcommittee, to the Federal Law Enforcement Training Center. FLETC is a model state-of-the-art facility which is critical to the training of our Nation's law enforcement personnel.

Mr. COVERDELL. Mr. President, I would like to engage the esteemed chairman on a matter important to out Nation's Federal law enforcement training and the Glynco, GA site at which this training is conducted. As the chairman knows, the Federal Law Enforcement Training Center was developed to consolidate federal law enforcement training. This was done to ensure efficiency, prevent redundancy, and save taxpayer dollars. The Chairman is also aware that FLETC has a five year plan for its sites in Artesia, NM and Glynco, GA to modernize the facilities and address a training overflow issue. I understand that the Chairman's bill preserves FLETC's intent and keeps the five-year plan moving into the next fiscal year. Understanding the Chairman's work continues FLETC's viability, will he be willing to communicate to the Treasury Department not only his commitment to this program but his desire to see that Treasury take steps towards funding design money for two dormitories at Glynco during this fiscal year?

Mr. CAMPBELL. I thank the Senator for his question and for his comments about FLETC's role and the Committee's work on behalf of FLETC. I believe in the intent for which FLETC was created and believe this bill reflects that belief. I also understand the need to take further steps to continue FLETC's 5-year plan. I say to the Senator from Georgia that I am willing to communicate with the Treasury Secretary Robert Rubin my hope that the Treasury Department provide design money for the two dormitories.

Mr. COVERDELL. The chairman's remarks are appreciated. As the Senator from Colorado knows this design money will assist with the dormitories scheduled for full funding in fiscal year 2001. Funding for design money will provide important continuation of and commitment to FLETC's 5-year plan. I thank the chairman.

Mr. DOMENICI. Mr. President, I would like to engage the distinguished Senator from Colorado, the Chairman of the Subcommittee, in a colloquy.

Mr. President, I want to begin by applauding the Chairman and Ranking Member of the Treasury-General Government Appropriations Subcommittee for what they have done under difficult budgetary circumstances. The Administration's fiscal year 2000 budget request for Customs included a controversial $312.4 million user fee to fund 5,000 existing Customs personnel. That budget gimmick essentially forced the Committee to either reduce Customs staffing levels or reduce or deny many needed projects and new initiatives. Under those difficult circumstances. I believe that Committee made the right choice.

The Customs Service has added to the problem by failing to include comprehensive air interdiction and marine enforcement fleet modernization plans requested by Congress in its Fiscal Year 2000 budget request. Has the subcommittee received either of these plans?

Mr. CAMPBELL. We have not received either of the requested plans from the Customs Service. In my view, the Administration clearly has missed an opportunity. In the absence of these reports and in response to concerns expressed by the Senator from New Mexico and others we have urged the Customs Service to look at cost-effective force multiplying technologies to improve border control and support other federal, state and local law enforcement agencies.

Mr. DOMENICI. As the Chairman knows, I believe that the AS350 AStar helicopter is a proven force-multiplier for Customs that has been used along the Southwest border, and elsewhere in the country, to support operations by the Border Patrol, and other federal, state, and local law enforcement agencies. According to information provided by the Customs Service, in the past year these Customs helicopters assisted in the seizure of approximately $14 million 7,800 pounds of cocaine, almost 25 tons of marijuana, 88 vehicles, 1 aircraft, 12 illegal weapons, 5 vessels, and 210 arrests. In addition, the Executive Director of the Customs Air Interdiction Division, has indicated that AStar is the most cost-effective element of the Customs air fleet. Based on

this track record, the AS350 AStar has become the light enforcement helicopter of choice for the U.S. Customs Service.

Mr. President, I understand the budget constraints facing the Subcommittee. I would simply ask that as we proceed with this bill in conference or later in the year, the Chairman and the distinguished Ranking Member of the Subcommittee, Mr. DORGAN, consider making investments in proven, cost-effective force multipliers—like the AStar helicopters—that can help strengthen law enforcement and improve our efforts to combat the inflow of drugs into this country a funding priority.

Mr. CAMPBELL. Mr. President, I share the concern expressed by the distinguished Senator from New Mexico about the inflow of drugs into this country. In addition to urging the Customs Service to transmit the requested air and marine modernization plans to the Committee, we worked with the Senator from new Mexico and others to add report language urging the Customs Service to consider additional investments in proven counterdrug assets like the AS350 AStar helicopter and other technologies in its current and future plans to try to maximize the effectiveness of Customs counterdrug personnel and resources. If additional resources become available to the Committee, cost-effective force-multipliers like the AS350 AStars will be among our top counterdrug priorities.

Mr. DOMENICI. Mr. President, I thank the distinguished Chairman.

HARTSFIELD ATLANTA INTERNATIONAL AIRPORT

Mr. COVERDELL. Mr. President, I would like to bring to the attention of the chairman the tremendous need for the speedy assignment of additional Customs Inspectors for Hartsfield Atlanta International Airport.

There has been a 100% increase in the number of international gates at Hartsfield from 1994 to 1999 and yet only a 14% increase in Customs Inspectors during the same period. In addition, there has been a 102% increase in metric tons of cargo and no increase in inspectors to handle that growth.

Hartsfield airport officials and the business community believe this lack of Customs Inspectors to handle the rapid growth in both passengers and cargo will soon place the airport at a serious competitive disadvantage. It is my understanding that millions of dollars a year will be lost by business travelers and industries in the Atlanta region due to inefficient movement of passengers and goods if this problem is not addressed soon.

Mr. CAMPBELL. Is it not true that the INS recently assigned 15 new inspectors to Hartsfield to handle the airport's tremendous growth?

Mr. COVERDELL. Yes, the chairman is correct.

Mr. CLELAND. Mr. President, I would like to state my concern to the chairman on this matter as well. Hartsfield recently surpassed O'Hare as the busiest airport in the world. I, too, strongly urge the U.S. Customs Service to address their lack of sufficient personnel at Hartsfield and respond as the INS has done in assigning the proper staff to this vital economic engine for the metro Atlanta region.

Mr. CAMPBELL. I thank my two colleagues for their comments on this matter and I encourage the Customs Service to work to address these issues.

Mr. President, I know of no further amendments to be offered. I believe we are ready for third reading of the bill. Senator DORGAN is prepared for that.

Mr. DORGAN. Mr. President, I think we are ready for third reading.

Let me, in 10 seconds, thank the staff on both sides who have worked so hard on this legislation.

I think all of the amendments have been disposed of. We are ready for final passage.

Mr. CAMPBELL. I also thank Senator DORGAN for all of his work. I ask now for a voice vote on final passage.

Mr. WELLSTONE. Mr. President, will we have a recorded vote on the conference report?

The PRESIDING OFFICER. Third reading.

Mr. CAMPBELL. Yes.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 1282), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I know there may be some wrap-up statements.

I commend the managers of the Treasury-Postal Service appropriations bill. They have worked together very well today. They have been able to complete a bill in 1 day that ordinarily takes days, or as much as a week. I commend them for that.

ORDER OF BUSINESS

Mr. LOTT. Mr. President, in light of the vote that just occurred on the Treasury-Postal Service appropriations bill, and the agreement just reached a few moments ago with respect to the District of Columbia appropriations, the Senate has conducted its last vote for the week. There will be no further votes tonight and no votes in the morning.

The next vote will occur on Tuesday, July 13. The Senate will reconvene on Monday, July 12, at noon. However, no votes will occur during Monday's session of the Senate.

Votes will occur during the session of the Senate beginning Tuesday, July 13, through Friday, July 16. There will be votes on Friday, July 16. So be prepared for that. That was under a previously agreed to cloture vote at 10:30 on Friday, the 16th, concerning the Social Security lockbox issue.

We will be in session some tomorrow. But there will be no recorded votes in the morning.

I thank all of our colleagues for their cooperation. Senator DASCHLE and our whips have all worked to make it possible to complete not one but two appropriations bills. I wish all of our colleagues a safe and happy holiday. I look forward to seeing you back on the 12th.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that when the Senate receives from the House of Representatives the companion bill to S. 1282, the Senate immediately proceed to the consideration of that measure; that all after the enacting clause be stricken and the text of Senate bill S. 1282, as passed, be inserted in lieu thereof; that the House bill, as amended, be read for the third time and passed; that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate; and that the foregoing occur without any intervening action or debate.

I further ask unanimous consent that the bill, S. 1282, not be engrossed; that it remain at the desk pending receipt of the House companion bill, and that upon passage by the Senate of the House bill, as amended, the passage of S. 1282 be vitiated and the bill be indefinitely postponed.

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

Mr. CAMPBELL. Mr. President, we agreed to a statement, after passage of the bill, of Senator TORRICELLI. I think that was the only one agreed to.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I thank the Senator from Colorado for his consideration.

UNFAIR COMMUTER TAX

Mr. TORRICELLI. Mr. President, I have this evening withdrawn consideration of an amendment that I offered with Senator LIEBERMAN, Senator DODD, and Senator LAUTENBERG. But I do so in the hope that in the intervening weeks the Finance Committee will consider this measure with the near certainty that my colleagues from

Connecticut and I will return with Senator LAUTENBERG and offer this in the coming weeks. I rise tonight very simply and very briefly to make our case.

There is nothing more fundamental in this Federal union than the equal protection of all of our citizens. It is the very purpose of the union. A citizen can travel State-by-State, live anywhere in this Nation, and be subject to the same application of the law.

This principle, while 200 years old, is now tested again. Some weeks ago, the State of New York repealed the commuter tax for commuters into the city of New York. That tax had been in place for more than 30 years. But they did a peculiar thing that is offensive to our concept of national union. They repealed the tax for people who live in New York State and commute to New York City, but they retained the tax for the citizens of Connecticut, 80,000 strong, and 250,000 commuters in the State of New Jersey. Those people who I represent alone were contributing $110 million to the city of New York.

It is not as if the legislature of the State of New York in doing this did not recognize they were trampling upon sacred constitutional grounds, because indeed in their State legislation they put a provision that if this was found unconstitutional for anybody, the law would be revoked. It was a political statement. It was not a sincere effort to legislate.

Indeed, as could be predicted, last week a judge did, indeed, rule that it was not only unfair to repeal this tax for New York commuters while imposing it on Connecticut and New Jersey, but it was unconstitutional and a violation of the privileges in the immunity clause of the U.S. Constitution.

I quote the judge who called this residency tax ''arbitrary and irrational.'' The judge further recognized that ''the only substantial difference between the two classes of commuters is in the State in which they reside.''

It might be argued that the State of New York, having recognized this might be unconstitutional, a judge now having ruled it is unconstitutional, that we might let the matter rest. I do not believe that would be in the best interests of the Congress. Indeed, last week, the House of Representatives on a voice vote, without apparent objection, unanimously found this is bad policy and it should never happen again.

The legislation, the Computer Tax Fairness Act, that I have introduced with Senators DODD, LIEBERMAN, and LAUTENBERG, would have this Senate reach the same conclusion. I rise tonight not to offer an amendment but in the hopes of asking the Finance Committee in the next few weeks to review, as the Ways and Means in the House of Representatives has done, to review this legislation, and to reach its own judgment, so in future weeks we can come back to the floor of the Senate and ask the Senate to make an informed judgment.

I believe it is important. Today it may be the people of Connecticut and New Jersey. This is a principle we will visit again. People who live in Indiana may one day commute to Chicago and find the city of Chicago thinks it is a good idea to tax somebody else for their services. I daresay the people of Alabama may one day find they are commuting to Mississippi and finding they are paying a tax subjected only on their own citizens. This is anathema to our national union. It is taxation without representation. It is a violation of privilege of immunities. It is a problem of equal protection. Indeed, it violates our sense of union.

While I do not insist on the amendment tonight, we will return to this moment in the hope that as the courts have found and as the House of Representatives has found, we can once again establish this principle.

Mr. DODD. Will the Senator yield?

Mr. TORRICELLI. I am happy to yield to the Senator.

Mr. DODD. I commend my colleague from New Jersey for taking a leadership role on this.

We should point out to our neighbors in New York how much we appreciate and support our great neighbor. The city of New York is a source of great economic vitality for our region. Our citizens are proud to live in our respective States of New Jersey and Connecticut, happy to work in the State of New York, but we want to be treated equally.

My colleague from New Jersey has rightfully raised this issue and pointed out that almost 100,000 constituents of mine who commute every day to the city of New York, and the almost 300,000 from the State of New Jersey, have raised a very important issue. We are confident our colleagues from New York are going to be tremendously sympathetic to this injustice that could be heaped on their neighboring States of New Jersey and Connecticut.

I thank my colleague from New Jersey for raising this issue.

Mr. LAUTENBERG. Mr. President, New York state legislature exempted New York state residents from paying the New York City commuter tax. But out-of-state residents—including people who live in New Jersey—are not exempt. They're supposed to keep paying the tax.

Commuting between states is an inescapable reality of modern life. As our population grows, the physical boundaries that used to divide one city from another are breaking down.

More and more everyday, our country is becoming a collection of regions. And that's especially true on the east coast, where urban populations are already closer together than they are anywhere else.

Should we punish people for this? Is it fair to single people out for harsher tax treatment just because they live in one state and work in another? Of course not. It's economic discrimination. And even worse, it's unconstitutional.

It's especially unfair in the case of New Jersey residents who work in New York City. Those people work hard. And their work brings real, tangible benefits to New York—benefits that translate into a stronger economy for New York City and the rest of the state.

New York needs those commuters. But that fact seems to escape the state's lawmakers. Their message to New Jersey residents is this—''You're second-class citizens. You don't live on our side of the state line, so you don't count.''

In 1996 alone, nearly 240,000 New Jersey residents paid $75 million in commuter taxes to New York. I'm sure they didn't like paying it, but at least in 1996 the tax was applied with a sense of fair play. Not anymore. Those commuters are plenty mad. And who can blame them?

Commuting to work is a necessity for millions of people. Often, it's an economic necessity. Or a desire to be close to family members.

When you tax people just for driving across state lines to work, you're essentially telling them they shouldn't have a choice about where they live.

That is wrong, Mr. President. I ask my colleagues to support this amendment.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from New York is recognized for 5 minutes.

Mr. SCHUMER. I very much appreciate the encomia that the Senator from Connecticut has given to our State of New York.

I want to thank my colleague from New Jersey for not forcing this dubious amendment tonight. First of all, there are two reasons to reject this amendment. One is that it is moot. Six days ago, as the Senator from New Jersey indicated, a court knocked out the entire commuter tax. To spend time debating this amendment right now, at this late hour, when people are eager to leave, and when the good work of the Senator from Texas and the Senator from Illinois has to be completed, does not make much sense.

Second, I caution that for the Senate to do this amendment without any hearings, without it going to the Finance Committee, might jeopardize all sorts of other complex decisions. Many States have pacts and agreements and covenants with neighboring States. How much this amendment affects those pacts and agreements, I don't know—but neither does anybody else in this Chamber.

To move this legislation which might have an effect on so many things, I am

told, without nary a hearing or a discussion, would be a serious mistake. In fact, the Federation of Tax Administrators, on June 21, wrote about the companion bill in the House. They said:

> Just what this bill is trying to do that has not already been done is the question. Unfortunately, when Congress attempts to restate existing constitutional law, the courts are left to cast about for a meaning for the new law. The resulting interpretations lead to countless examples of ''unintended consequences.'' Because of the bill's widespread impact, its confusing language, and the fact that the protections Congress hopes to bestow upon the taxpayers of New Jersey are already firmly established in the U.S. Constitution, the Federation [that is the Federation of Tax Administrators] would urge you at a minimum to withhold consideration of the House companion bill.

So I appreciate the fact we have done that in the House. We will debate this another day, this already moot point, and to not take any further time from my colleagues who are eager to debate other issues.

I yield back the remainder of my time and wish my colleagues a happy Fourth of July.

The PRESIDING OFFICER. The Senator from Montana.

OPEN-MARKET REORGANIZATION FOR THE BETTERMENT OF INTERNATIONAL TELECOMMUNICATIONS ACT

Mr. BURNS. I ask unanimous consent that the Senate now proceed to consideration of S. 376 as reported by the Commerce Committee.

Mr. LOTT. Reserving the right to object, and I will not object, I just want to commend the Senator from Montana for his dogged determination to move this legislation. I am sure that all of its imperfections will be resolved in conference. I commend him for his efforts.

I withdraw my reservation.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

> A bill (S. 376) a bill to amend the Communication Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, today the Senate will pass a measure that will usher in a new era in the international satellite communications marketplace. This bill is the result of months of deliberation among many of my colleagues and builds upon a debate from last Congress.

First and foremost, I extend my appreciation to the distinguished chairman of the Communications Subcommittee, Senator CONRAD BURNS, for his unrelenting diligence in working with all parties involved, both in the Senate and in the private sector. There were numerous players who had a stake or an interest in this reform measure. Senator BURNS was willing to accommodate their perspectives while remaining true to his commitment to move forward. I thank him for that.

Along with Senator BURNS, other Members in this Chamber, Senator BREAUX, Senator HOLLINGS, Senator STEVENS, and others were actively engaged in the process. Their contributions enhanced the final product in many respects and helped produce a more balanced bill. Let me also recognize Senator JOHN MCCAIN, chairman of the Senate Commerce Committee. His leadership and his support has been instrumental in helping to advance this effort, and I want to thank him as well.

Reaching a unified unanimous, Senate position on legislation of this magnitude was not a simple task. Although the bill garnered widespread agreement on principle, the technical issues have not been easy. Some were complex, given the marketplace transition from one dominated by intergovernmental organizations to one of private sector competition. Other issues were straightforward but contentious. This made it necessary to take the time and work through some of these areas in a fair and open manner. We did, and I am pleased that the Senate has now moved forward.

S. 376 enacts timely reform of a visionary policy adopted by Congress in the early 1960s to blaze the trail of a global communications network. It was the right policy at the right time. A solid foundation was laid as a result, and commercial satellite service has come of age. Now, over 35 years later, it is the right time for Congress to enact another visionary public policy. One that will move us from a marketplace dominated primarily by intergovernmental organizations to one of competitive, privately owned companies offering viable opportunities and real choices. A marketplace that will reflect today's market realities and encourage robust competition in our new satellite communications community for years to come. Such services are growing in demand, and Congress should act on behalf of consumers. They deserve it.

I always say that nothing could get done in the Senate without dedicated staff. Several individuals worked hard to prepare this legislation for passage. They include Mark Ashby, Lloyd Ator, Mark Buse, Greg Elias, Paula Ford, Leo Giacometto, Carole Grunberg, Maureen McLaughlin, Mike Rawson, Greg Rhode, Mitch Rose, Ivan Schlager, and Howard Waltzman. I thank them all for their time and their efforts.

It is my hope this is the year Congress will pass an international satellite privatization bill.

Mr. LIEBERMAN. Mr. President, I rise today to express my concerns about S. 376, the international satellite reform legislation. While I commend my colleagues who have worked hard on this very important issue, I am concerned that there is still more work to do to ensure reform that results in a truly competitive market.

Comprehensive satellite reform is long overdue. The 1962 Communications Satellite Act is based on a 1960s era notion that telecommunications services must be provided by national or international monopolies. This thinking gave rise to two treaty organizations, INTELSAT and Inmarsat, to provide international satellite communications services. Comsat, a private company, was created by Congress in 1962 and has been the U.S. representative—known as the Signatory—to these intergovernmental organizations. Today, we know that technology and the marketplace demand that this monopoly, governmental model must give way to private competition.

S. 376 may be a first step toward reaching the goal of privatizing the treaty organizations and reforming the 1962 Act. But more remains to be done.

One important issue that is very troubling to me involves the legal immunity that Comsat enjoys as the U.S. Signatory to INTELSAT. This is a critical issue. The FCC has found that Comsat's immunity gives it significant competitive advantages. Comsat is a publicly-traded private company. Legal immunity is an extraordinary advantage in the marketplace. It is rare for Congress to grant such a powerful advantage to a private commercial company. We must be very careful here.

I understand that Comsat might remain as the U.S. Signatory until INTELSAT is fully privatized, and, therefore, it would retain some official responsibility to represent the U.S. government. I understand that, in that capacity, it might need legal immunity when it is acting at the instruction of the U.S. government. But in every other action it takes, at INTELSAT or elsewhere, it should not and does not enjoy legal immunity. S. 376 limits Comsat's legal immunity.

My concern here is a simple one. If Congress by law is bestowing legal immunity on a private company, Congress has an obligation to be very clear and precise as to what actions are protected. The provisions in S. 376 that limits Comsat's immunity is not precise and specific enough. However, the intent and wording is plain that as long as Comsat represents the U.S. officially at INTELSAT prior to its privatization, it may enjoy legal immunity, but that immunity is clearly limited to the actions it takes pursuant to the written instruction it receives from the U.S. government.

While the intent is clear that Comsat obtains immunity only when it is acting under written government instruction, the language in this bill regarding

immunity requires further clarification at conference.

We have a duty to be clear and precise when we grant such an extraordinary benefit as legal immunity to a private company. I raise this today because I want this issue to be further resolved in the Conference Committee, prior to enactment.

I look forward to working with my colleagues, Senators HOLLINGS, MCCAIN, LOTT, STEVENS, BURNS and others on the Commerce Committee to ensure that this clarification problem is corrected.

Mr DODD. Mr. President, I am pleased that today we will pass S. 376, which concerns the important topic of International Satellite Reform. I have followed the issue with interest for years, in part because in my Foreign Relations Committee work, we have addressed the market access concerns that are a critical part of opening up this industry.

Although it is significant to finally have the Senate on record supporting the need for a competitive restructuring of the international satellite market, this bill will need some work before it can achieve that goal. It does not make sense to address this issue for the first time in over 35 years, and to leave some issues unresolved. I believe that there is room for improvement with respect to balancing incentives and leverage in making the international marketplace more competitive. I also believe we need to move quickly to normalize our relations with Intelsat, and its U.S. component, Comsat.

I urge the Senate conferees from the Commerce Committee to continue their good work by tightening up this bill and removing unnecessary loopholes.

AMENDMENT NO. 1221

Mr. BURNS. There is a managers' amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS], for himself, Mr. LOTT, and Mr. STEVENS, proposes an amendment numbered 1221.

Mr. BURNS. I ask unanimous consent that the reading of the amendment be dispensed.

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

The amendment is as follows:

Section 4 of S. 376 (as amended by the ''ORBIT'' substitute) is amended by striking proposed

Section 603 of the Communications Satellite Act of 1962 and inserting the following new section:

''SEC. 603. RESTRICTIONS PENDING PRIVATIZATION.

(a) INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to carriers (other than the United States signatory) or end users in the United States until July 1, 2001 or until INTELSAT achieves a pro-competitive privatization pursuant to section 613 (a) if privatization occurs earlier.

(b) Notwithstanding subsection (a), INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to any foreign signatory, or affiliate thereof, and no carrier, other than the United States signatory, nor any end user, shall be permitted to invest directly in INTELSAT.

(c) Pending INTELSAT's privatization, the Commission shall ensure that the United States signatory is compensated by direct access users for the costs it incurs in fulfilling its obligations under this Act.

(d) The provisions of subsections (b) and (c) shall remain in effect only until INTELSAT achieves a pro-competitive privatization pursuant to section 613(a).''

On line 21, page 32, Section 612(b), insert ''subsection'' after the word ''under''.

On line 21, page 32, Section 612(b), replace ''consider'' with ''determine whether''.

On line 23, page 32, Section 612(b), insert ''exist'' after the word ''connections''.

On line 9, page 33, Section 612(b)(4), after ''ownership'', insert ''and whether the affiliate is independent of IGO signatories or former signatories who control telecommunications market access in their home territories.''

On line 19, page 35, section 613(c)(1), after ''taxation'', insert ''and does not unfairly benefit from ownership by former signatories who control telecommunications market access to their home territories.''

On line 13, page 37, Section 613(d), replace ''consider'' with ''determine''.

On line 14, page 37, Section 613(d), insert ''and Inmarsat'' after ''INTELSAT''.

Mr. BURNS. I ask unanimous consent that the amendment be considered as read and agreed to, the committee substitute be agreed to, as amended, and the bill be read for the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 1221) was agreed to.

The committee substitute, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. BURNS. Mr. President, I thank our distinguished Majority Leader and Senator STEVENS for working with me, Senator MCCAIN, Senator HOLLINGS, and Senator BREAUX on the passage of S. 376, the Open-Market Reorganization for the Betterment of International Telecommunications Act, better known as ''ORBIT.''

The passage of ORBIT by unanimous consent today clearly indicates the Senate's overwhelming support for the approach taken in ORBIT to reform our satellite communications laws. I look forward to working with my good friend in the other body, Chairman BLILEY, on getting this legislation enacted into law this year.

ORBIT is a truly bipartisan bill that updates the Satellite Communications Act of 1962, expands competition, and encourages new market entrants in satellite communications. It will help to secure the rapid and pro-competitive privatization of INTELSAT by a date certain of January 1, 2002. The bill provides new incentives for INTELSAT's privatization, while at the same time, carries tough consequences if INTELSAT fails to achieve this important objective.

The bill also brings needed reform to the U.S. signatory to INTELSAT, COMSAT, by removing its special privileges and immunities. In addition, the bill eliminates outdated statutory restrictions on the ownership of COMSAT, which will allow COMSAT to function like a normal, private commercial company.

ORBIT will enhance competition in satellite communications, bringing far reaching and long-term benefits to consumers both here and abroad. I thank my colleagues on both sides of the aisle, and I especially want to thank the staff. The staff of all parties was involved in this. There have been long hours and long days devoted to this particular issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mrs. HUTCHISON. Mr. President, at this time I call up Calendar No. 170, S. 1283, the D.C. appropriations bill for fiscal year 2000.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (S. 1283) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for fiscal year ending September 30, 2000, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I ask my colleague from Georgia if he would allow me to make a general statement about the bill for about 5 minutes, and then I will defer to Senator DURBIN if he has a statement?

Mr. COVERDELL. Absolutely.

Mrs. HUTCHISON. Mr. President, I am pleased to bring to the Senate floor the bill making appropriations for the government of the District of Colombia

for fiscal year 2000. This bill is largely the result of the cooperation between Mayor Williams, the city council, and the Financial Control Board. As a result of the hard work of locally elected officials, the Congress and the Financial Control Board, we begin to see signs of a healthier financial picture in the District.

At the end of fiscal year 1998, the District boasted an annual surplus of $445 million. This surplus allowed the District to eliminate the accumulated deficit.

Having paid that off, the District still realized a $112 million positive fund balance. The District is projecting a $282 million fund balance by the end of this year, which is 6 percent of the gross budget. The District's healthy fund balance and improved economic forecasts have helped the District achieve investment grade bond ratings on Wall Street, which will save the District millions in borrowing costs. One of the important provisions in the committee bill creates a mechanism that will help improve this situation even more. I am looking toward a higher bond rating for the city than the level at which it now rests.

While the economic condition of the District is improving, service delivery in our Nation's Capital still has a way to go. The public school system is still in serious condition. Chief among these concerns are recent reports of convicted felons walking away from district-run halfway houses and committing violent crimes. The District government will not be able to attract new families, middle-class families, to the city unless its streets are safe, the schools are effective, and its tax structure is competitive with surrounding jurisdictions.

Despite these problems, the budget moves the city in the correct direction, and I think we are making great progress. The subcommittee has adopted the District's consensus budget with a few modifications. These are the few:

We have again required the District to hold a $150 million reserve fund, and there are tight restrictions on the use of the reserve fund. It can now serve as a true ''rainy day'' fund for the city. In addition, we require the District to hold a 4-percent budget surplus. The combination of the reserve and the required surplus will give the District a solid financial cushion that is slightly above what other major cities hold, but it is appropriate for the District in order to improve its bond rating. Any funds above the 4-percent surplus are directed to be used in this manner: No less than half for debt reduction, no more than half for spending on nonrecurring expenses.

Currently, the District spends 13 percent of its budget servicing its debt. The highest normal ratio for a city is 10 percent. The reforms envisioned by this bill would bring this more in line with other cities.

The city's debt was at one time so bad that it was not even rated by the major agencies. The city's bond rating is now investment grade, although it is the lowest rank of investment grade. I think this budget will start the process by which that rating will be upgraded. This is so important for the District to save millions in borrowing costs in the future.

In addition, our budget has education reform. The committee has provided $17 million for the D.C. College Tuition Assistance Program, subject to authorization. I will wait and talk about that a little more when Senator DURBIN discusses it as well.

We have also addressed the issue of charter schools in the city. Many believe that charter schools are an important force for improving education in the city. Our bill adopts the D.C. City Council program to ensure that pupils in both public schools and charter schools receive the same amount of funding. This way, charter schools will remain an education alternative for students in the District.

Everyone knows crime in the District is still too high. We have provided $5.8 million for drug testing of people on probation. This has worked in other cities and we hope it will bring down the crime rate in the District of Columbia as well. We provided $1 million to the D.C. police to combat open-air drug markets. This was a special concern expressed by Senator DURBIN, and I think a correct one. These are dens of criminal activity that ruin a neighborhood and spread drugs to children. This money we hope will be used to start wiping out those open-air drug markets.

We have also permitted the District to use economic development funds that we appropriated last year to be used for local tax relief for commercial revitalization. Rebuilding or refurbishing a blighted neighborhood is the most important thing we can do to bring it back into the economic mainstream and keep it safe. The District has found just recently, as the landlord of a number of abandoned properties, that such properties are a magnet for crime and drug use. So these funds can be used for revitalization and public/private partnerships.

The committee tried to address the concerns of the mayor and the council. We certainly intend to improve the education system in the District. We are not where we want to be to make the Capital City the very best city in the whole United States, the beacon for what America is, but we are heading in that direction. It is the goal of Congress to make sure that our Capital City is one that all Americans feel they own and they can be proud of.

I am pleased the Appropriations Committee reported this bill unanimously and look forward to working through the conference with Senator DURBIN, my ranking member, who has been very cooperative and helpful in getting a bill through that will address the needs the District has and provide for those needs.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, let me say this is a new assignment for me as a ranking Democrat on the subcommittee on D.C. appropriations. I served in a similar capacity in the House and it has become a subject which I am more familiar with each time the appropriation process begins. But it has been a special pleasure to work with the chairman of this committee, Senator KAY BAILEY HUTCHISON of Texas. This is the first time we worked this closely together. It has been a very professional relationship, and I think a very productive one for the people of the District, as well as the Senate.

I salute, as well, Mary Beth Nethercutt and Jim Hyland of her staff, for their cooperation. I thank, on my side, Terry Sauvain, who is not only the minority clerk for this bill but who also serves as the minority deputy staff director for the Appropriations Committee. I appreciate very much Senator BYRD making him available to help me on this my maiden voyage on the Senate Appropriations Committee.

My staff member, Marianne Upton, of the D.C. authorization subcommittee of the Governmental Affairs Committee has worked tirelessly as well, and I extend my gratitude to her, as well as Liz Blevins and Suzanne Bailey of the committee staff.

May I say at the outset that I am heartened at the election of Mayor Williams in the District of Columbia. I do believe it is a new day for the District. The District has a better chance for a better future than it has had in many years. Those of us who had lost faith in the future of the District of Columbia have had it renewed by the earliest days of his administration. He is a man who is honest. He is a man who is dedicated. He truly wants the very best for the District of Columbia and I am anxious to work with him.

People whom he has hired to this point in his administration include some for whom I have a high regard. Police Chief Ramsey, who was a member of the Chicago police force, was well respected there and I am certain will do a good job here. Terry Gainer, who was the Superintendent of the Illinois State Police, works as an assistant to Chief Ramsey, and he, too, brings extraordinary expertise in the field of law enforcement.

Mr. President, having said that, Senator HUTCHISON has explained this unusual situation where the Congress of the United States, the Federal Government, appropriates money to give to a city government, the D.C. government.

Of course, that is why we are here this evening. We have a special interest in the District of Columbia, not just because the Capitol is located here, but because we believe, as every American does, that this is our city, too. Whatever our hometowns happen to be, the District of Columbia, Washington, DC, is our capital city, and we are very proud of it.

The millions of visitors who come each year really come to enjoy the institutions, the landmarks, the monuments, and all of the things that make this such a wonderful city and respected across the face of the Earth. The building we work in, the U.S. Capitol, is one of the most recognizable buildings in the world, and we are proud to work here, to be part of it, and we understand that Washington, DC, is part of the future of this country and part of our heritage.

Having said that, though, I have to be very candid. When my friends in Illinois and others tell me they are going to visit the District of Columbia, I tell them: Be careful. You have to be careful because, sadly, the crime in the District of Columbia is the worst in the Nation. The murder rate in the District of Columbia is more than twice any other city in the United States and certainly more than any other city in the world, from all the information I have been given. The number of auto thefts is higher in the District of Columbia than anywhere else in the United States of America. The schools, sad to say, are some of the worst. They may be getting better, and we hope they will, but, unfortunately, there are many problems.

When the mayor of the city came to testify before our committee, he said the Annie E. Casey Foundation has done an evaluation of children in the District of Columbia on how our kids are doing in Washington, DC. Time after time, we find they are doing worse than virtually every city in the United States or any State in the Union. As good as the District of Columbia may be, as inspiring as the monuments may be, there are endemic problems in this city which are horrible.

I am happy the revitalization plan has really given the District more voice in its own future. I have tried throughout the years to overcome the temptation to meddle in the politics of the District of Columbia and to let them govern themselves as much as humanly possible.

I can tell you as a person who has spent a good part of his adult life in the District, it has been tempting sometimes to speak up. Tonight I will speak up on an action taken by the D.C. City Council which I think is absolutely irresponsible. I will get to that a little later. But this appropriations bill tries to strike that balance where the Federal Government comes in with its contribution to the District of Columbia and respects the right of this city to make its own decisions, even if, in the judgment of some Senators here this evening, we think those decisions are wrong.

I, once again, salute Senator HUTCHISON. I know during the course of the debate on the amendments before us we will have a chance to get into more specific issues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, under the unanimous consent agreement, at this time we will go to Senator COVERDELL's amendment, and the time will be divided, 20 minutes under the control of Senator COVERDELL and 10 minutes under the control of Senator DURBIN.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Texas.

AMENDMENT NO. 1222

(Purpose: To prohibit the use of funds for the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug.)

Mr. COVERDELL. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself and Mr. ASHCROFT, proposes an amendment numbered 1222.

At the appropriate place, insert the following:

SEC. . None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug, or for any payment to any individual or entity who carries out any such program.

Mr. COVERDELL. Mr. President, the amendment, in a sense, is a reflection of the comments just made by the Senator from Illinois about some of the difficulties in the Nation's Capital, and the amendment is drafted in the belief that a needle exchange program in the Nation's Capital is not conducive to the safety of the citizens of the Nation's Capital.

I ask unanimous consent that a New York Times op-ed dated Wednesday, April 22, 1998, by James L. Curtis, a professor of psychiatry at Columbia University Medical School and the director of psychiatry at Harlem Hospital, be printed in the RECORD.

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

[From the New York Times, April 22, 1998]

CLEAN BUT NOT SAFE

(By James L. Curtis)

Donna Shalala, the Secretary of Health and Human Services, wanted it both ways this week. She announced that Federal money would not be used for programs that distribute clean needles to addicts. But she offered only a halfhearted defense of that decision even stating that while the Clinton Administration would not finance such programs, it supported them in theory.

Ms. Shalala should have defended the Administration's decision vigorously instead, she chose to placate AIDS activists, who insist that giving free needles to addicts is a cheap and easy was to prevent H.I.V. infection.

This is simplistic nonsense that stands common sense on its head. For the past 10 years, as a black psychiatrist specializing in addiction, I have warned about the dangers of needle-exchange policies, which hurt not only individual addicts but also poor and minority communities.

There is no evidence that such programs work. Take a look at the way many of them are conducted in the United States. An addict is enrolled anonymously, without being given an H.I.V. test to determine whether he or she is already infected. The addict is given a coded identification card exempting him or her from arrest for carrying drug paraphernalia. There is no strict accounting of how many needles are given out or returned.

How can such an effort prove it is preventing the spread of H.I.V. If the participants' are anonymous and if they aren't tested for the virus before and after entering the program?

Studies in Montreal and Vancouver did systematically test participants in needle-exchange programs. And the studies found that those addicts who took part in such exchanges were two to three times more likely to become infected with H.I.V. than those who did not participate. They also found that almost half the addicts frequently shared needles with others anyway.

This was unwelcome news to the AIDS establishment. For almost two years, the Montreal study was not reported in scientific journals. After the study finally appeared last year in a medical journal, two of the researchers, Julie Bruneau and Martin T. Schechter, said that their results had been misinterpreted. The results, they said, needed to be seen in the context of H.I.V. rates in other inner-city neighborhoods. They even suggested that maybe the number of needles given out in Vancouver should be raised to 10 million form 2 million.

Needle-exchange programs are reckless experiments. Clearly there is more than a minimal risk of contracting the virus. And addicts already infected with H.I.V., or infected while in the program, are not given antiretroviral medications, which we know combats the virus in its earliest stages.

Nedle exchanges also affect poor communities adversely. For instance, the Lower East Side Harm Reduction Center is one of New York City's largest needle-exchange programs. According to tenant groups I have talked to, the center, since it began in 1992, has become a magnet not only for addicts but for dealers as well. Used needles, syringes and crack vials litter the sidewalk. Tenants who live next door to the center complain that the police don't arrest addicts who hang out near it, even though they are openly buying drugs and injecting them.

The indisputable fact is that needle exchanges merely help addicts continue to use drugs. It's not unlike giving an alcoholic a clean Scotch tumbler to prevent meningitis. Drug addicts suffer from a serious disease requiring comprehensive treatment, sometimes under compulsion. Ultimately, that's the best way to reduce H.I.V. Infection among this group. What addicts don't need is the lure of free needles.

Mr. COVERDELL. Mr. President, I am going to read several of the statements made by Mr. Curtis in the op-ed. He says:

For the past 10 years, as a black psychiatrist specializing in addiction, I have warned about the dangers of needle-exchange policies, which hurt not only individual addicts but also poor and minority communities.

There is no evidence that such programs work. . . .

Studies in Montreal and Vancouver . . . found that those addicts who took part in such exchanges were two to three times more likely to become infected with HIV than those who did not participate. They also found that almost half the addicts frequently shared needles with others anyway. . . .

Needle-exchange programs are reckless experiments. . . .

Needle exchanges also affect poor communities adversely. For instance, the Lower East Side Harm Reduction Center is one of New York City's largest needle-exchange programs. According to tenant groups I talked to, the center, since it began in 1992, has become a magnet not only for addicts but for dealers as well. . . .

The indisputable fact is that needle exchanges merely help addicts continue to use drugs. . . .

Mr. President, I point out the last time that an amendment like this appeared before the Senate, it was adopted 96–4.

General McCaffrey, the Nation's drug czar, says:

As public servants, citizens and parents, we owe our children an unambiguous no use message. And if they should become ensnared in drugs, we must offer them a way out, not a means to continue addictive behavior.

He goes on to say:

The problem is not dirty needles, the problem is heroin addiction . . . the focus should be on bringing help to the suffering population—not giving them more effective means to continue their addiction. One doesn't want to facilitate this dreadful scourge on mankind.

A spokesman for the Office of Drug Control Policy also said that ''addicts who took part in needle-exchange programs in Vancouver and Montreal had higher HIV infection rates than addicts who did not participate.''

Just a word or two about the Vancouver experiment. In the case of Vancouver's needle exchange program, one of the biggest in the world, studies show that intravenous drug use increased by 20 percent and deaths from overdose have increased five-fold since 1988 when the program started. Some needle exchange programs actually encourage cocaine and crack injection providing so-called safe crack kits with instructions on how to inject crack intravenously.

I have one of the kit's brochures. It is the one issued by the Bridgeport Needle Exchange Program in Bridgeport, CT. It makes an interesting menu. It starts off:

Get your stuff ready.

Have a cooker, water, syringe, citric or ascorbic acid, cotton and alcohol wipes ready.

Put crack and citric or ascorbic acid (about a pinch to a slab), in a cooker. Add plenty of water (about) 30 to 40 I.U. of water. Smash and mix well.

Add cotton and draw up into the syringe.

Get your vein ready.

Tie off, find a good vein and clean with a alcoholic wipe.

Inject, make sure you are in a vein, register, look for blood back flow in syringe.

Slowly push plunger in for injection. This helps to avoid vein trauma and collapse.

Withdraw needle. Apply pressure for about a minute. Use clean gauze tissue. . . .

Well, anyway, it goes on to say: Take care of yourself. Use vitamin C, eat a good diet, and things will be just fine.

I agree with General McCaffrey. I especially agree that in the Nation's Capital we do not want to send the messages of a needle exchange program.

I ask unanimous consent that Senator ASHCROFT of Missouri be added as a cosponsor to my amendment.

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

Mr. COVERDELL. Mr. President, I can assure the Senate and the Nation that we will continue pressing for this amendment. I believe we are going to succeed and overcome our foes that have caused us to have to withdraw this tonight. I think we are going to be successful because I think common sense, in this case, will prevail again.

I ask unanimous consent that when the time assigned to Senator DURBIN expires this amendment be withdrawn.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

Mr. COVERDELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who seeks time?

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I believe under the unanimous consent agreement I am given 10 minutes to speak in opposition to this amendment; is that correct?

The PRESIDING OFFICER. That is correct, sir.

Mr. DURBIN. Thank you very much, Mr. President.

This is a tough topic. I not only don't care to talk about intravenous drug injection, I can't stand watching it on television.

I find myself in the middle of a debate where you have to face the reality of what this is all about. The reality is that too many people in the District of Columbia—wait a minute—too many people in America have become IV drug users. We are trying to reduce that number, not only because addiction to drugs can ruin your life but also because there are other dangers associated with it, such as HIV and AIDS and hepatitis, and so many other things that cause problems.

I find it interesting that the Senator from Georgia, together, I understand, with the Senator from Missouri, comes here to try to stop the needle exchange program in the District of Columbia, because as we look at a map of the United States showing the States that have needle exchange programs, we see there is a needle exchange program in the home State of the Senator from Georgia and there is a needle exchange program in the home State of the Senator from Missouri.

As you look across the Nation, you see that many States are trying these programs. I am certain that the Senator from Georgia has spent a great deal of time trying to overturn the decision in his own State. That is probably why he comes here in this crusade against the D.C. needle exchange program.

But before we dismiss this as something that might encourage drug use, please, let's look at the facts.

The highest rate of new HIV infections is in [Washington, DC.] AIDS kills in the District like no other cause of death for residents between ages 30 and 44.

I am quoting from a July 1, 1999, Washington Post editorial. I ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, July 1, 1997]

HOW TO SPREAD HIV IN D.C.

When the Senate takes up the District's fiscal year 2000 budget, a floor amendment may be offered to ban a needle-exchange program in the city. A yes vote is a green light to allow HIV to spread unimpeded among intravenous drug users.

The District has strong reason for an effective needle-exchange program. The highest rate of new HIV infections is in the nation's capital. AIDS kills in the District like no other cause of death, for residents between ages 30 and 44. The city has the distinction of having an AIDS death rate seven times the national average. As if this weren't tragic enough, the city also has to contend with needle-exchange opponents attacking a program that has—through the Whitman Walker Clinic—reduced the spread of HIV by causing a 29 percent drop in the number of drug injections.

Opponents will argue that needle-exchange programs promote drug use. That has not been the District's experience. Nor has it been the experience of more than 113 other state and local government-supported programs across the nation. Maybe that's why the American Medical Association, the National Academy of Sciences, the American Bar Association and the U.S. Department of Health and Human Services have thrown their weight behind the program.

Last year Congress unwisely added to another District law a prohibition on funding a needle-exchange program. In an act of legislative overkill, it also required that private groups spending their own money on such programs lose any federal funds they might receive. That took the Whitman Walker Clinic out of the picture. As a result, a local group receiving only private funds is trying to fight the spread of HIV on a shoestring budget. That's the wrong way to fight a killing disease. The District should be able to

spend its own money on this lifesaving program.

Mr. DURBIN. I will continue:

[Washington, DC] has the distinction of having an AIDS death rate seven times the national average. As if this weren't tragic enough, the city also has to contend with needle-exchange opponents attacking a program that has—through the Whitman Walker Clinic—reduced the spread of HIV by causing a 29 percent drop in the number of drug injections.

So we have a terrible scourge of HIV and AIDS right here in the Nation's Capital—seven times the national average. We have a program that tries to convince HIV users, through a needle exchange, to stop it, to go through drug rehab, to end their addiction. And it is successful.

As a result of the program, there was a 29-percent drop in the number of drug injections. The Senator from Georgia—and he is going to withdraw the amendment, in fairness to him—the Senator from Georgia says the best thing we can do is eliminate that program. That is an invitation for more HIV and AIDS and more addiction.

Mr. President, 75 percent of the cases of babies born with HIV are due to the use of dirty needles by either the mother or the father, and 70 percent of the cases of women with HIV are due to their own or their partner's use of contaminated needles.

That is what the debate is all about. It pains me to even talk about this topic. I am not comfortable with it. But I think we have to be honest if we want to deal with public health issues. We should say—and I think it should be a standard—that we will not support a needle exchange program unless it fits two criteria: First, it has a valid public health purpose—and I certainly believe that the elimination or reduction of HIV and AIDS in the District of Columbia is such a valid purpose—and, secondly, it must not encourage addiction to drugs.

There is absolutely no evidence that this program in the District encourages addiction. In fact, just the opposite is true. Those who come to these clinics end up getting in programs where they finally—perhaps after a lifetime of addiction—find themselves drug-free so that their babies can be born drug-free.

I am glad that the Senator from Georgia is going to withdraw this amendment. As difficult as it is to talk about some of these issues, we must face the reality that it is part of our responsibility.

The needle exchange program, which he would have restricted, is supported by many groups that I think have great stature in our country: The American Medical Association, the National Academy of Sciences, the American Academy of Pediatrics, the American Bar Association, the U.S. Conference of Mayors, and many others.

Again, I am happy the Senator is going to withdraw his amendment.

I yield the floor.

AMENDMENT NO. 1222 WITHDRAWN

The PRESIDING OFFICER. The amendment is withdrawn.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I just say, I commend Senator COVERDELL for offering the amendment. I think that because of the opposition, he withdrew it. But if this is a subject that will come up in our conference committee, I will be supportive of the amendment. I think it is a tragedy to give any credence to the notion that it is OK to use drugs and we just wanted to make sure you have clean needles to do it.

So this may come back. When it does, I will certainly be favorable to making sure we do not send any kind of signal that would make this an acceptable occasion in our country.

Mr. President, I think Senator DASCHLE has asked to put his amendment up next. I am happy for him to do that.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I have no objection to changing the order so the minority leader can offer his amendment at this time.

The PRESIDING OFFICER. Without objection, the minority leader is recognized.

AMENDMENT NO. 1223

(Purpose: To direct the Secretary of the Interior to implement the notice of decision approved by the National Capital Regional Director, dated April 7, 1999)

Mr. DASCHLE. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 1223.

Mr. DASCHLE. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 53, between lines 11 and 12, insert the following:

SEC. 1_____.—WIRELESS COMMUNICATIONS.—(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 7 days after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the National Park Service, shall—

(1) implement the notice of decision approved by the National Capital Regional Director, dated April 7, 1999, including the provisions of the notice of decision concerning the issuance of right-of-way permits at market rates; and

(2) expend such sums as are necessary to carry out paragraph (1).

(b) ANTENNA APPLICATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, a Federal agency that receives an application to locate a wireless communications antenna on Federal property in the District of Columbia or surrounding area over which the Federal agency exercises control shall take final action on the application, including action on the issuance of right-of-way permits at market rates.

(2) GUIDANCE.—In making a decision concerning wireless service in the District of Columbia or surrounding area, a Federal agency described in paragraph (1) may consider, but shall not be bound by, any decision or recommendation of—

(A) the National Capital Planning Commission; or

(B) any other area commission or authority.

Mr. DASCHLE. I thank my colleagues for their cooperation and indulgence. I appreciate very much the opportunity to go out of order. This should not take very long.

Mr. President, I want to just take a couple of minutes to talk about why I believe this amendment is needed, primarily for the RECORD, but also for those who may be interested in knowing of a problem that I think is a serious one that has to be addressed.

After 4 years of delay, the National Park Service tentatively approved applications to locate two cellular antennae in Rock Creek Park on April 8 of this year. These antennae will be located in areas that are already developed; namely, the Park Service Maintenance Yard and the Fitzgerald Tennis Center. Engineering tests show that the antennae cannot be seen by park users.

In March of 1999, the Park Service completed the environmental assessment and concluded that these antennae pose no significant environmental impact.

Federal law directs agencies to make their property available to communications facilities so long as they comply with the National Environmental Policy Act, which these antennae do.

Unfortunately, even though the decision was approved on April 8, even though we have now waited 4 years, the National Park Service has yet to announce its final decision. This amendment would simply require them to finish the process within 1 week of enactment—now after 4 years.

The U.S. Park Police has testified repeatedly that communication antennae are needed in Rock Creek Park because large sections of the park lack a reliable communications service. The police rely on commercial wireless communications for their own protection and to respond to the public's calls. Joggers, emergency medical groups, and other park users also testified these antennae will provide key links to police and rescue personnel. When someone is injured, rapid response may mean the difference between life and death.

The U.S. Park Police reported in Rock Creek Park over 3,500 safety incidents, including 348 violent crimes, 1,600 criminal offenses, and 1,664 traffic accidents in that 4-year period, from July 1995 to April 1999. When these incidents occur, there is no way for a victim or a Good Samaritan to call 911.

Our amendment ensures the intention of the Telecommunications Act is simply carried out. The act recognizes that Federal property should be available for locating the antennae so essential services for wireless communication can be provided.

In many locations in the D.C. area, Federal property holdings are extensive and afford the only reasonable location for such antennae. This amendment supports these initiatives. When the consideration of applications determines that the antennae meet applicable Federal environmental and other requirements, neither the Federal agencies nor local administrations should have any cause to block them. This amendment clarifies the current law for the Washington region like other jurisdictions and requires approval of these facilities if they meet all the Federal requirements.

That is an explanation of my amendment. I hope that, and I appreciate very much, under the unanimous consent agreement, we will have a voice vote on this matter. I certainly hope it can be maintained in conference, because I think this is a critical issue for public safety and also for the need for Federal responsiveness on issues of this import.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, the explanation of the amendment sounded very good. I had not seen the amendment until earlier this evening. I am happy to go forward with a vote on the amendment.

The PRESIDING OFFICER. All time on the amendment having expired, the question is on agreeing to amendment No. 1223.

The amendment (No. 1223) was agreed to.

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

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DASCHLE. Mr. President, I thank the manager of the bill, the Senator from Texas, and my colleague, the Senator from Illinois.

AMENDMENT NO. 1224

(Purpose: To strike Federal funding for the District of Columbia resident tuition support program)

Mrs. HUTCHISON. Mr. President, the next item on the unanimous consent agreement is Senator DURBIN's tuition assistance program amendment. Twenty minutes will be given to Senator DURBIN, and I will control 10 minutes, at the end of which time Senator DURBIN will withdraw.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN] proposes an amendment numbered 1224.

The amendment is as follows:

On page 5, strike beginning with line 17 through page 6, line 4.

On page 11, line 1, after the semicolon insert ''up to''.

On page 11, line 2, after ''resident'' insert ''college''.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, a bipartisan group of legislators, Congressmen from this region, came up with an idea that is a very good one. It is an effort to try to promote higher education among the residents of the District of Columbia.

Washington, DC, does not have a major public university. The young people in D.C. are disadvantaged. People living in the State of Texas, young people living in the State of Illinois can consider a number of public universities and colleges and qualify for in-State resident tuition, which is usually much lower than those out of State.

That same benefit is not available for the young people in the District of Columbia by and large, and this scholarship idea, which was promoted by the Clinton administration, as well as local Congressmen and many others in this area, has come forward. It is one that I wholeheartedly support. I think this tuition assistance program is an excellent idea. The estimated cost is about $17 million a year. That sum is appropriated in this bill.

Having said that, though, I have taken exception to a fact of life in the District of Columbia. I mentioned at the outset that the District of Columbia is going through major reform, major revitalization. We have changed the Federal contribution to help the District in some regards. For example, we are paying more Medicaid in the District of Columbia than in my home State of Illinois. We are paying for certain benefits, like a $5,000 tax credit for those first-time homebuyers in the District, things to encourage the District of Columbia to stand on its own feet.

They have made progress. I give credit to Mayor Williams and the city council for a lot of positive things that have occurred in a very short period of time.

Having said that, though, there is an action by the D.C. City Council which I consider to be the height of irresponsibility. That was a decision by this city council this year to give $59 million in tax cuts to D.C. residents.

Mark my words, any politician would like to stand up and say: I am going to give you a tax cut. Everyone applauds. That is a natural applause line. But when you take a look at the District of Columbia and the situation that it faces, it is almost incredible that they would decide at this moment in history that they have $59 million they can't figure out how to spend; $59 million they want to return in tax cuts, some of them in the neighborhood of $100 or $150 a year, $2 a week, $3 a week, for a total of $59 million. This is a tax cut in a city that has serious infrastructure problems and serious problems when it comes to the very basic things.

Let me give you an example. Here we are at the Capitol Building. A lot of my staff members live nearby. One of my staffers said to me the other evening: I am going home.

I said: Do you need a ride?

He said: I just live five blocks away. He paused and said: But come to think of it, a woman was stabbed and murdered in my neighborhood last week. I will take a ride, if you don't mind.

I said: Do you know what you need in your neighborhood, where murders are occurring? You need a tax cut.

Well, I think we know better. The people in the District of Columbia, more than anything else, need police protection. They need protection because we have the highest murder rate in the Nation right here in the District of Columbia, more than twice the next city in any State in this entire country.

I had some time to look over what has happened with the D.C. Police Department. The D.C. City Council can't seem to see any need there beyond the current budget. In fact, they want to give away $59 million.

Let me tell you a little bit about the D.C. Police Department. I think it has a good chief. Chief Ramsey comes from Chicago. I think he is making changes. But they wanted to have 3,800 policemen in the District of Columbia, and they can't find them. They found about 3,500, so they are short of the mark of even having the force in the city that they hope to have.

When the new chief took over a year ago, he looked around the District of Columbia Police Department and learned that 75 percent of the telephones in the D.C. Police Department were rotary phones. This is like traveling in Eastern Europe after the wall came down and discovering what is left of the Soviet empire. You travel around the D.C. city government and wonder how in the world did it get so bad.

This D.C. City Council can look beyond that. They can look beyond the fact that the policemen in the District of Columbia were not receiving firearms training a year ago. They can look beyond the fact that the D.C. policemen were not even trained for conducting sobriety tests. Can you imagine that? They didn't pull over speeders who were drunk because only 200 of the policemen, out of 3,800, had been

trained in giving a basic sobriety test. In most cities in the Nation, 100 percent of the force receives that training.

The deficiencies, one after another, stack up until the people in this poor city worry more about getting hit in the head than whether they are going to get a tax cut. This is really, in my mind, quite a tragedy. If it were a family situation and you were trying to draw an analogy, the D.C. City Council decided to go out and buy a big screen TV although it couldn't afford to buy a lock for the front door of the house. That is what the tax cut is all about.

Give away $59 million in a city with these problems? That is not it alone. As I mentioned earlier, the D.C. public schools really need help. They have brought on some new people in an effort to try to deal with that. I hope it works. But the belief by the D.C. City Council that putting money into summer programs, early childhood development, afterschool programs is unnecessary, really strikes me as insensitive to the reality of the need for improving public education in the District of Columbia.

When the Mayor came and spoke to us, incidentally, he told us something which was troubling—I have a chart that demonstrates it—on children in the District of Columbia. The Casey Foundation took a look at kids in the District of Columbia, kids in Washington, DC. With one exception—and they looked at all the different criteria for children, and that was the high school dropout rate—the District of Columbia ranked worst in the Nation in every category involving children.

D.C. City Council, are you listening? The children you represent in these wards out here are the worst in the Nation in every single category. You can't figure out where to put $59 million, so you want to declare a dividend and give it away.

Why don't you consider, for a moment, the percent of low-birth-weight babies in the District of Columbia, the worst in the Nation, worse than any other State; the infant death rate in the District of Columbia is the worst in the Nation, twice the national average; the child death rate; the rate of teen deaths by accident and homicide; the teen birth rate; the percent of teens not attending school and not working; the percent of children living with parents who do not have full-time, year-round employment is last place in the District of Columbia; the percent of children in poverty; the percent of families headed by a single parent is the worst in the Nation.

The D.C. City Council has blinders on when it comes to the kids in the District of Columbia. They are more intent on the theory of a tax cut; they want to give $100. What is $100 worth when you are holding a premature baby who has to stay in the hospital for week after week and month after month in the hope that when it is all said and done, that child will have enough strength and intelligence to lead a normal life? Wouldn't you, as a member of the D.C. City Council, stop and say: Maybe we ought to dedicate a few dollars to the kids; maybe we ought to dedicate a few dollars to the police department?

I can't tell you, in my experience here in Washington, DC, how many times I have heard about the incidence of crime and how close it has come. I was a student here; I went to college and law school here. I have lived a big part of my life in Washington, DC. I have seen a lot of it. There is crime in other cities, make no mistake; but the rate of crime in this town is just incredible. The rate of auto theft is the worst in the Nation. A year ago, there was 1 police officer out of 3,500 who was assigned this responsibility of auto theft. These sorts of things, I suggest, the D.C. City Council ought to be taking into consideration—things that, frankly, cry out for a response.

The D.C. City Council says: No, we are not going to spend the money on the kids, we are not going to spend the money on the crime.

Pick up the Washington Post any morning of any day of any week, and you will find another story that is scandalous about what is happening in the District of Columbia. We have quotes here about homicides. Just in the last few months, a girl, 15, died in gang crossfire; an anticrime activist—he worked in one of the neighborhoods near Capitol Hill—was killed; a victim feared for family safety; four were arrested after a woman was killed by a stray bullet.

Last week, a grandmother—an innocent person—was killed by a stray bullet in a drive-by shooting. Little babies are being killed by guns. The D.C. City Council, when it reads headlines in the morning, must say that crime is so bad in the District that we need a tax cut.

That is what it is all about. If there is a belief that a tax cut is going to bring people back to the District to live, it is such a naive belief. People will live in the District of Columbia when it is safe to live in this District, when the schools are good schools, when the city meets its most basic needs. This idea, this perfidy that we can somehow answer the needs of the District with a tax cut, I find troubling.

That is why I raised the concern about this college tuition program. To think that we would take $17 million from the Federal Treasury and give it to the District of Columbia for this college assistance program at a time when the District of Columbia is giving away $59 million, I found to be particularly offensive—not that the program for college tuition isn't a good one, but the District of Columbia, apparently, has money to burn, money to give away, money to award in tax cuts, in a city that is in shambles, when you look at the basics.

I don't want to get into graphic details here. This mayor said he is going to do everything in his power to eradicate rats in this city. It is estimated that the rat population is larger than the human population in Washington, DC, and that doesn't include politicians in Congress. It is estimated that these problems cause public health hazards that, frankly, are rampant across Washington, DC. D.C. City Council says: We are not going to spend any of that $59 million on rat eradication; we are going to give a tax cut.

I think if they want to bring people to the District and businesses to the District, tax cuts can be part of the answer—after you have met the basics. If you can't afford a roof on your home, you won't go out and buy a swimming pool. If you can't afford the basics of food in the cupboard, you don't rent a caterer for a patio party. The D.C. City Council just doesn't get it; they are going to give away this $59 million.

I have been prepared to offer an amendment that would have said the money that was going to be allocated in this bill for this program would be stricken, $14 million. For the sake of the RECORD at this point, I want to offer the amendment.

AMENDMENT NO. 1224

(Purpose: To strike Federal funding for the District of Columbia resident tuition support program)

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN] proposes an amendment numbered 1224.

On page 5, strike beginning with line 17 through page 6, line 4.

On page 11, line 1, after the semicolon insert "up to".

On page 11, line 2, after "resident" insert "college".

Mr. DURBIN. Mr. President, I am going to withdraw the amendment. I received a telephone call from the White House today, and it is very clear that this college tuition assistance program is very important to the President, and I understand it. It is something that was part of his budget, something that he believes would be very good for the children of the District of Columbia.

I have asked and received the assurance of the administration that when the District of Columbia makes next year's budget request, we are going to hold them to a very sensible yardstick. We are going to ask them whether their experiment worked. We are going to ask them whether or not this idea of a $59 million tax cut did, in fact, not only improve the quality of life in the District, but address the most basic problems—whether or not the crime

rate has come down, whether or not children are better off, and whether or not the schools are improved.

The District of Columbia will be held accountable. With that assurance, I can assure those who are listening that if I am still serving on the subcommittee, as I expect to be, I will apply the same standard. To the D.C. City Council, I say: I don't think you can have it both ways. I don't think you can give away the money in a tax cut and meet basic needs in the city. You have 12 months to prove me wrong. I will be watching.

I will be offering a sense-of-the-Senate resolution in a few moments that addresses some of the yardsticks and criteria we hope to use in measuring the performance of the D.C. City Council.

At this point, I ask how much time I have remaining under the unanimous consent request.

The PRESIDING OFFICER. The Senator has 51/2 minutes.

Mr. DURBIN. At this point, I ask that my 5 minutes be held until Senator HUTCHISON has an opportunity to respond. If I may close, I will appreciate that.

Mrs. HUTCHISON. Mr. President, I have listened to Senator DURBIN's arguments on his amendment, and I have to say I am pleased that he is withdrawing the amendment, because I think his amendment is absolutely flat wrong.

Let's talk about what would give kids a chance in the District of Columbia. A better education system would give kids a better chance in the District of Columbia. We are funding health care for children in this District with the Federal programs that are available throughout our country. We are providing better support for education—well, we are not providing it; in fact, I think the District is providing it, and I think they are doing a good job. They are saying that charter schools should be given a chance, that if a child cannot be given a good public education in this system and that child chooses to go to a charter school, they will have an equal allocation of resources as if they were going to a public school—which a charter school is.

So the District is addressing education, because they want their kids to have a chance. We are putting more in crime prevention in this bill, in crime control, because we do think it is important to clean up neighborhoods. But a very important part of cleaning up neighborhoods is the tax cuts the District consensus budget envisions.

Now, the Senator from Illinois refers to these as giving away $59 million. Well, first of all, I don't think income tax cuts are giving money away. They are letting people who earn the money keep more of what they earn. Now, why would we support the District's decision to do that? Because the District is trying to clean up the neighborhoods, to do exactly what the Senator from Illinois wants to do—that is, have safe and clean neighborhoods throughout the District of Columbia.

The way they are doing this is with, I think, a quite balanced tax cut program. The tax cuts for business will attract business into the city. This city needs more business investment. It is a government city. There isn't much commercial activity. The commercial activity will clean up property. It will provide jobs. It will have economic viability. But it will also have more investment in beautification of the city.

Attracting business through tax cuts is something that is being done all over this country by cities that are trying to be progressive and improve their quality of life.

The tax cuts on the income tax side are so modest that I don't see how anyone could possibly disagree with them. People in the District who make $10,000 pay 6 percent in income taxes, and it would be lowered to 4 percent. It also gives breaks to the middle-income families that we want to be able to live in the District.

We want to have a full range of families able to live in the District, and we are trying to support the District's efforts to do exactly that—to make this a family-friendly city.

That is why it is so incredible that we would have any opposition to the tuition assistance plan, because one of the factors that a family uses to choose where it lives is the higher education potential for their children. I have had people tell me that it is like getting a $25,000-a-year pay raise to move to Texas because in-State tuition at Texas University is so low. I mean, it is ridiculously low. It is about $1,000.

So a person moving to Texas getting a first-rate education from the University of Texas, Texas A&M, all of our colleges, and universities that are rated in the top 10, top 20, in many fields, have a good bargain.

But what about a child who is growing up in the District of Columbia? They don't have a State university where they have an equal opportunity to go with in-State tuition because people are paying taxes to that State. This bill gives them that equal chance. This bill will equalize out-of-State tuition costs for D.C. students. So if they qualify to go to the University of Maryland, or the University of Virginia, or I hope the University of Texas, they will be able to have that added tuition they would have as an out-of-State student with these tuition assistance programs.

I think it is part of the overall strategy of the District to make this city family friendly. They are making every attempt in the budget they presented to us to give them a better chance for education at the grade school, middle school, and high school level. This bill gives them the chance to have out-of-State tuition lowered to in-State tuition, where they would qualify anywhere in the country.

This bill gives them more in crime prevention, more in crime control, and it says to businesses: We want you to come to the District, we want you to make an investment in the District, because we want to clean up the neighborhoods; and we know it is going to take a public-private partnership to do it.

But I think this bill is quite balanced. I think the District has done a terrific job in trying to use the money it has—both the Federal budget side and the local budget side—to do what is necessary to attract families back into the District to live, and to keep the families that are here living here. If they don't do something about the income tax rate, they are never going to attract people, because the income tax rates on either side of them in Maryland and Virginia are half of what they are in the District.

I think the Mayor and the council should be commended for saying: We are going to make our city attractive, we are going to do it in a balanced way, and we are going to meet the needs of the children in the District. But every city in the country is looking for ways to make their cities attractive.

I am going to support the District in their efforts to make this city attractive for families. I am going to continue to work with Senator DURBIN to try to make sure we are funding crime control in open air drug markets. I am going to continue to work with the District in trying to give charter schools a chance, if public education isn't serving the needs of individual children.

Let's give competition a chance. I think the District has been quite progressive in doing that in their budget.

I defend the tax cuts. I defend the tuition assistance program, which has bipartisan support, and the support of the President and the support of the District. I think we are going to see this city turn around.

I am going to support the council in every way I can when I think they are going in the right direction. I think they are going in the right direction with tuition assistance. I hope Congress will authorize this program so we can put it into effect for the next university year.

I think we will see a lot of activity in the District with people wanting to come here, stay here, and raise their families here. That will be good for every American, because a safe city, a clean city, and a city that has a low crime rate is going to be a city that every American wants to bring their families to visit as our Capital City.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes 30 seconds.

Mr. DURBIN. Thank you, Mr. President.

I respect what the Senator from Texas has said. I agree with much of what she said. I certainly agree the college tuition assistance program is a good one. I support it.

I hope you can tell from the debate that our point of disagreement is on the tax cut, and my belief is that tax cut money—at least a portion of it—should be dedicated toward making the District a safer place to live, and making D.C. schools better schools—and addressing some of the serious problems the children in this District face, problems which are, frankly, of a third world nature and seem to be ignored by this D.C. City Council.

Let me tell you, you shouldn't take the word of a Senator from Illinois, nor a Senator from Texas, about what D.C. residents are interested in; you should take their own word.

When you look at the surveys of the people of the District of Columbia, Washington, DC, and their priorities, you search down that list for a long way before they start talking about taxes. High on the list is their concern about safety and crime in their neighborhoods. How low could you bring taxes to attract a person into a neighborhood where they felt as though they were not safe?

So many members of my staff who would love to live on Capitol Hill where I live have finally reached the conclusion that they can't. One member of my staff, after she was mugged a second time on Capitol Hill, and her face was swollen for about a week, gave up and moved out of Washington, DC, to a neighboring suburb. The taxes had nothing to do with that.

I talked to another young couple, just the kind of people who should be living in the District to make a great contribution. They said it finally just wore them down—their concern about crime, their concern about the filth they saw in the streets, and the rats running across the streets as they came home in the evening. It finally just wore them down, and they picked up and moved to a neighboring suburb. They didn't mention taxes. I am sure it is a concern. Nobody wants to pay any more taxes than they have to.

But I think if this District were more livable when it came to the basics of protecting families in their own homes and neighborhoods that you would attract more people to live in what is otherwise in many places one of the most beautiful cities in America. The Senator from Texas said she wants Washington, DC, to be family friendly. I couldn't agree more. But first it has to be family safe. Unfortunately, it isn't close.

When they did a survey of the people in the District of Columbia, 48 percent said they live in fear of crime in their neighborhood. When they asked people in the District of Columbia, they had the highest percentage of residents among 12 cities surveyed indicating the presence of abandoned cars and rundown buildings. When they asked the residents in the District of Columbia whether or not they had problems of public drug sales, they had the highest response in the Nation. Panhandling and begging was the highest in the Nation.

These are quality-of-life issues that need to be addressed by the city council that should get its head out of the clouds and down on the street, talking to the people they represent.

AMENDMENT NO. 1224 WITHDRAWN

Mr. DURBIN. I ask my amendment be withdrawn.

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

The amendment (No. 1224) was withdrawn.

Mr. JEFFORDS. Mr. President, the amendment offered by the Senator from Illinois would strike the $17 million which is included in this bill to support a program offering tuition assistance to DC students who are pursuing postsecondary education. As the author of legislation to authorize this program, I strongly oppose the Durbin amendment.

In crafting my legislation—which is cosponsored by Senators HUTCHISON, WARNER, and MOYNIHAN—I have been mindful of the need for fiscal responsibility. The $17 million included in the DC appropriations bill is the amount recommended in the President's budget. Although I would agree that any amounts above this figure should come from sources other than the Federal treasury, I do believe it is appropriate for the Federal government to participate in an effort to place DC students on an even keel with students in other parts of the country.

The authorization process for the DC tuition bill is well underway. Under the leadership of Representative TOM DAVIS and DC Delegate ELEANOR HOLMES NORTON, the House of Representatives approved ''The District of Columbia College Access Act'' without a dissenting vote. The Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia—chaired by Senator VOINOVICH—recently held a hearing on this initiative. I am working actively with him and other members of the Senate to move forward with sound legislation.

The legislation I have introduced and the measure approved by the House share the same goal. That goal is to provide citizens of the District with a greater range of options in pursuing postsecondary education by having the Federal government offer support that, in other areas of the country, is provided by State governments.

Throughout my career in Congress, I have made support for education one of my top priorities, and I have regarded the education of DC students as being an important part of my efforts.

I am therefore delighted at the level of interest and support which the DC tuition concept has received.

With respect to public postsecondary education, DC students exploring their options find they have a more limited set of choices than any other group of students in the country. A student in any of the 50 states who wishes to attend a public institution of higher education has a number of institutions among which to choose. That student can base his or her decision on considerations such as the size of the institution and the strengths of the various programs it offers. A student in the District of Columbia finds that only one public institution is available.

As a practical matter, the District cannot expand its boundaries, nor can it establish a system of public higher education that can offer the diversity of offerings available in the various states. Every State provides support for higher education from which their residents benefit through lower instate tuition, while out-of-state residents pay a premium to attend. I believe it is appropriate for the Federal government to assume the role of the State, effectively pushing the boundaries to a point where District students are placed on an equal footing in terms of the public education choices available to them.

The legislation also recognizes that many District residents choose to attend one of the many private postsecondary institutions in the DC area. Many of these institutions have made extraordinary efforts to enable District residents to succeed in their pursuit of advanced education. A number of states have developed programs, such as the Virginia Tuition Assistance Grant (TAG), to assist students at private institutions in defraying costs. The program authorized in my bill is modeled after these initiatives.

This legislation also complements not only those programs such as ''Everybody Wins!'' and the Potomac Regional Education Partnership (PREP) with which I have been directly involved, but also the many other initiatives undertaken by individuals and institutions who work tirelessly to nurture the potential of the children of our Nation's capital. Members of the business community have recently launched a program known as the D.C. College Access Program (DC–CAP) which will offer both financial support for students pursuing postsecondary education and assistance to high school students to assure they are prepared to tackle the challenges of higher learning.

An investment in education is one of the most important investments we as a society and we as individuals can make. There are boundless opportunities in the DC area for individuals with education and training beyond high school. DC residents should not be left behind in obtaining the capacity to take advantage of these opportunities.

Mr. DURBIN. Mr. President, as part of last October's Omnibus Appropriations bill, a provision (Section 130) in the District of Columbia's FY 99 appropriations placed a $50 per hour/$1,300 per case cap on attorney's fees in cases brought under the Individuals with Disabilities Education Act (IDEA) in the District.

In signing the bill, President Clinton singled out the cap in his remarks, calling it ''unacceptable'' and he pledged to eliminate the cap this year. However, it has again been included in this bill to fund the District. (Sec. 128)

This cap has made it virtually impossible for local special education attorneys to accept cases on contingency, which is required for indigent parents and court-supervised children. Attorneys are forced to demand retainers from these residents, which precludes low-income parents from obtaining legal representation at all. In the end, the poorest kids in the District receive inadequate services from DCPS.

Federal law under the IDEA provides for the recovery of reasonable attorneys' fees at market rates. IDEA was passed with the understanding that it applied to cases in all jurisdictions. Congress, however, has singled out the District of Columbia and in effect has singled out poor families and children who struggle to get even a basic education.

DCPS spends $165 million per year on about 12,000 special education students. The average per-pupil cost comes out to be $17,000 per year. One in 10 District students are in need of special education program services.

Yet, services rendered to these students are substandard at best. Disabled children wait months, and in some cases years, to have their special education needs evaluated by DCPS. Since DCPS doesn't have nearly enough special education programs to accommodate its students, students wait lengthy periods of time to be placed in an appropriate classroom setting where they can receive essential related services.

In order to get these deserving kids assessed, parents have had to resort to litigation to get their children the services the law allows them. The tangled system of DCPS is unnavigable without an experienced attorney and most parents can't afford to hire and retain counsel for their children.

So for years, lawyers have sued the system on behalf of thousands of children with physical, emotional or learning disabilities who have not received proper assessments or services. The school system is required to pay legal fees when the child's case prevails—which has occurred most of the time.

The Washington Times reported in March that DCPS has committed funds to hire eight private attorneys to defend the school system in special education cases. It is disconcerting that the District is willing to pay the prevailing rate to ''defense'' attorney's to oppose parents, but it claims it can't afford to pay the prevailing rate to attorneys to represent parents seeking to have their children assessed.

Three class action suits have been filed against DCPS and recently, two of those lawsuits were settled. Under the terms of the settlement, the school system has agreed to hold hearings or otherwise resolve the backlog of hearing requests, estimated at more than 700, by the end of summer. The backlog of some 400 unimplemented decisions will be cleared up in stages, with the goal of reaching compliance with all decisions and agreement by the end of the first semester of the 1999–2000 school year. One more class-action suit against the division remains unresolved.

In one of those cases, Federal District Court Judge Paul Friedman ruled on May 11 that:

$4 million assessed for failure to comply with past court orders ''has to be paid'';

The school system violated legal provisions by trying to apply the congressional cap on fees for work performed before the cap was set;

The school system must pay more than $400,000 to one law firm, Feldman, Tucker, Leifer, Fidell & Bank, which has been handling a class-action lawsuit for several years and has not been paid in more than a year; and

Nothing in the law prevents judges from awarding attorney fees in special-education cases that continue longer than the one-year cap imposed this year. The city would simply be liable to pay the rest next year, or whenever the cap is lifted [''The statute doesn't tell me I can't award more than $50 an hour. It tells you can't pay more that $50 an hour.'']

The special education problems are an embarrassment and need to be resolved. The school system has to address this and the kids are entitled to counsel and counsel deserve to be paid fairly and reasonably for their work and the time.

Mrs. HUTCHISON. This is a matter we can take up in conference.

Mrs. HUTCHISON. Mr. President, according to the unanimous consent agreement, it is now appropriate for Senator DURBIN's sense of the Senate on D.C. quality of life. He has 15 minutes under his control; I have 5 minutes under my control.

I yield the floor to Senator DURBIN.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I thank the Senator from Texas. I will make it brief because I have spoken on my concerns about the District of Columbia. My reason for withdrawing the last amendment is my belief that not only is it a high priority of the White House, it is fundamentally a sound program, as I said from the start.

My quarrel is what I consider to be the irresponsible action of the D.C. City Council with the so-called tax cut they have enacted. The sense of the Senate, which I make a part of this appropriations bill, says the D.C. City Council has a chance to prove their theory; they have a chance to prove the $59 million in tax cuts is more important than $59 million spent on police protection; $59 million, a part of which could be spent on the schools; $59 million, a part of which could be spent to try to help these poor babies who are dying because of low birthweight and other problems.

You have your chance. That is what home rule is all about. The sense of the Senate says it is a sense of the Senate that in considering the District of Columbia's fiscal year 2001 budget, the Senate will take into consideration progress or lack of progress in addressing the following issues: crime, including the homicide rate; implementation of community policing; the number of police officers on local beats; and the closing down of open-air drug markets.

Second, access to drug abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment drugs. Remember that HIV-AIDS is seven times more prevalent in the District of Columbia than in other city.

The third item on the sense of the Senate is management of parolees and pretrial violent offenders, including the number of halfway house escapees, and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapees.

Pick up the paper with regularity and you will find that the so-called halfway houses have revolving doors. Those accused of felonious conduct and violent crime are back on the street, walking in the neighborhoods of the District of Columbia, shoulder to shoulder with the people who live here and those who come to visit the Nation's capital.

That has to change. It is one of the criteria which I will personally use, and I hope others will use, during the course of this consideration of criteria for future appropriations for the District of Columbia.

Fourth, education including access to special education services and student achievement.

Fifth, improvement in the city's basic services, including rat control and abatement.

Six, the application for and management of Federal grants. This D.C. city government has not even applied for the money it is eligible for from the Federal Government. They have to reach a level of competence and it may mean achieving some in phases. I hope the Mayor is listening, and I hope the members of the D.C. City Council will be responsible for that.

Finally, the indicators of child well-being, which I mentioned earlier. Let's see next year, when we gather to debate this appropriation, whether the District of Columbia is still in last place among all the States in the Nation in so many categories which reflect the well-being of the children who live here.

AMENDMENT NO. 1227

(Purpose: To express the sense of the Senate regarding the urgent need to address basic quality of life concerns in the District of Columbia)

Mr. DURBIN. I retain the remainder of my time and offer the amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN] proposes an amendment numbered 1227.

Mr. DURBIN. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ____ (a) FINDINGS.—The Senate finds the following:

(1) The District of Columbia has recently witnessed a spate of senseless killings of innocent citizens caught in the crossfire of shootings. A Justice Department crime victimization survey found that while the city saw a decline in the homicide rate between 1996 and 1997, the rate was the highest among a dozen cities and more than double the second highest city.

(2) The District of Columbia has not made adequate funding available to fight drug abuse in recent years, and the city has not deployed its resources as effectively as possible. In fiscal year 1998, $20,900,000 was spent on publicly funded drug treatment in the District compared to $29,000,000 in fiscal year 1993. The District's Addiction and Prevention and Recovery Agency currently has only 2,200 treatment slots, a 50 percent drop from 1994, with more than 1,100 people on waiting lists.

(3) The District of Columbia has seen a rash of inmate escapes from halfway houses. According to Department of Corrections records, between October 21, 1998 and January 19, 1999, 376 of the 1,125 inmates assigned to halfway houses walked away. Nearly 280 of the 376 escapees were awaiting trial including 2 charged with murder.

(4) The District of Columbia public schools system faces serious challenges in correcting chronic problems, particularly long-standing deficiencies in providing special education services to the 1 in 10 District students needing program benefits, including backlogged assessments, and repeated failure to meet a compliance agreement on special education reached with the Department of Education.

(5) Deficiencies in the delivery of basic public services from cleaning streets to waiting time at Department of Motor Vehicles to a rat population estimated earlier this year to exceed the human population have generated considerable public frustration.

(6) Last year, the District of Columbia forfeited millions of dollars in Federal grants after Federal auditors determined that several agencies exceeded grant restrictions and in other instances, failed to spend funds before the grants expired.

(7) Findings of a 1999 report by the Annie E. Casey Foundation that measured the well-being of children reflected that, with 1 exception, the District ranked worst in the United States in every category from infant mortality to the rate of teenage births to statistics chronicling child poverty.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in considering the District of Columbia's fiscal year 2001 budget, the Senate will take into consideration progress or lack of progress in addressing the following issues:

(1) Crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets.

(2) Access to drug abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs.

(3) Management of parolees and pretrial violent offenders, including the number of halfway house escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes.

(4) Education, including access to special education services and student achievement.

(5) Improvement in basic city services, including rat control and abatement.

(6) Application for and management of Federal grants.

(7) Indicators of child well-being.

Mrs. HUTCHISON. Mr. President, I think the Senator from Illinois has a very good sense of the Senate. I think having benchmarks and accountability we can look at next year is very appropriate. I commend him for caring about these crime issues and the issues that we all want to solve.

I certainly support his amendment and suggest we approve it unanimously.

Mr. DURBIN. I yield the floor.

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

The amendment (No. 1227) was agreed to.

AMENDMENTS NOS. 1228 THROUGH 1231, EN BLOC

Mrs. HUTCHISON. Mr. President, I have a group of managers' amendments which I will send to the desk and ask for their immediate consideration. They have been cleared on both sides. I urge their adoption. There are two amendments by Senator DORGAN and two amendments by myself.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes amendments numbered 1228 through 1231, en bloc.

The amendments are as follows:

AMENDMENT NO. 1228

(Purpose: To encourage the Major of the District of Columbia to adhere to the recommendations of the Health Care Development Commission with respect to the use of Medicaid Disproportionate Share payments)

At the appropriate place, insert the following:

SEC. . The Mayor, prior to using Federal Medicaid payments to Disproportionate Share Hospitals to serve a small number of childless adults, should consider the recommendations of the Health Care Development Commission that has been appointed by the Council of the District of Columbia to review this program, and consult and report to Congress on the use of these funds.

AMENDMENT NO. 1229

(Purpose: To allow the District of Columbia Public Schools to consider funding of a program to discourage school violence)

On page 13, line 17, insert the following: "*Provided further*, That the District of Columbia Public Schools may spend $500,000 to engage in a Schools Without Violence program based on a model developed by the University of North Carolina, located in Greensboro, North Carolina.".

AMENDMENT NO. 1230

(Purpose: To require a GAO study of the criminal justice system of the District of Columbia)

At the appropriate place, insert the following:

SEC. . GAO STUDY OF DISTRICT OF COLUMBIA CRIMINAL JUSTICE SYSTEM.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a study of the law enforcement, court, prison, probation, parole, and other components of the criminal justice system of the District of Columbia, in order to identify the components most in need of additional resources, including financial, personal, and management resources; and

(2) submit to Congress a report on the results of the study under paragraph (1).

AMENDMENT NO. 1231

(Purpose: To amend the District of Columbia Code to require the arrest and termination of parole of a prisoner for illegal drug use)

At the appropriate place, insert the following:

SEC. ____. TERMINATION OF PAROLE FOR ILLEGAL DRUG USE.

(a) ARREST FOR VIOLATION OF PAROLE.—Section 205 of title 24 of the District of Columbia Code is amended—

(1) in the first sentence, by striking "If the" and inserting the following:

"(a) If the"; and

(2) by adding at the end the following:

"(b) Notwithstanding subsection (a), with respect to a prisoner who is convicted of a crime of violence (as defined in §23–1331) and who is released on parole at any time during the term or terms of the prisoner's sentence for that offense, the Board of Parole shall issue a warrant for the retaking of the prisoner in accordance with this section, if the Board, or any member thereof, has reliable information (including positive drug test results) that the prisoner has illegally used a

controlled substance (as defined in §33–501) at any time during the term or terms of the prisoner's sentence.''.

(b) HEARING AFTER ARREST; TERMINATION OF PAROLE.—Section 206 of title 24 of the District of Columbia Code is amended by adding at the end the following:

''(c) Notwithstanding any other provision of this section, with respect to a prisoner with respect to whom a warrant is issued under section 205(b), if, after a hearing under this section, the Board of Parole determines that the prisoner has illegally used a controlled substance (as defined in §33–501) at any time during the term or terms of the prisoner's sentence, the Board shall terminate the parole of that prisoner.''.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments (Nos. 1227 through 1231) were agreed to.

Mrs. HUTCHISON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I rise in support of S. 1283, the District of Columbia Appropriations bill for FY 2000 as reported by the Senate Appropriations Committee.

The bill provides $410 million in new budget authority and $401 million in new outlays for federal contributions to the District of Columbia government. When outlays from prior-year budget authority and other completed actions are taken into account, the Senate bill totals $410 million in budget authority and $405 million in outlays for FY 2000.

I commend the distinguished Chairman of the Subcommittee, Senator HUTCHISON, for her hard work and diligence in fashioning this bill. The bill is exactly at the Senate Subcommittee's 302(b) allocation. The bill is $17 million in budget authority and $12 million in outlays above the President's request due to the inclusion of a tuition assistance program for D.C. students who attend out-of-state colleges. The Administration has requested these funds, however, through the Department of Education rather than directly to the District of Columbia.

Mr. President, I ask unanimous consent that the Senate Budget Committee scoring of the District of Columbia Appropriations bill be printed in the RECORD.

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

S. 1283, D.C. APPROPRIATIONS, 2000—SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 2000, in millions of dollars]

	General Purpose	Crime	Mandatory	Total
Senate-reported bill:				
Budget authority	410			410
Outlays	405			405
Senate 302(b) allocation:				
Budget authority	410			410
Outlays	405			405

S. 1283, D.C. APPROPRIATIONS, 2000—SPENDING COMPARISONS—SENATE-REPORTED BILL—Continued

[Fiscal year 2000, in millions of dollars]

	General Purpose	Crime	Mandatory	Total
1999 level:				
Budget authority	621			621
Outlays	616			616
President's request:				
Budget authority	393			393
Outlays	393			393
House-passed bill:				
Budget authority				
Outlays				
SENATE-REPORTED BILL COMPARED TO:				
Senate 302(b) allocation:				
Budget authority				
Outlays				
1999 level:				
Budget authority	(211)			(211)
Outlays	(211)			(211)
President's request:				
Budget authority	17			17
Outlays	12			12
House-passed bill:				
Budget authority	410			410
Outlays	405			405

Note.—Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

Mr. DOMENICI. I urge my colleagues to support the bill.

Mrs. HUTCHISON. That is all the amendments we have pending. If there are no further amendments, I ask that the bill be read for a third time.

The bill was ordered to be read for a third time.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I will take a couple of minutes to express my appreciation to the two managers of this bill. I chaired the subcommittee on appropriations for the District of Columbia for 7 years, beginning in 1961 and ending in 1968.

This is not just an ordinary city, as we all know. I have traveled in many areas of the world, as have most Senators. I have been in many cities of the world, but this is the only Federal city in the world. This is the only Federal city in the United States.

Referring to the words of the Constitution, article I, section 9, it is the seat of the Government of the United States. It is not ''a'' seat of the Government of the United States, it is ''the'' seat of the Government of the United States.

So it is a unique city. It is the only city of its kind in this country. It is the only city of its kind in the universe.

I compliment these two Senators. It is 20 minutes after 9 o'clock on what will be the last day the Senate will be in session until after next week. These two Senators are here discussing important matters.

As I sat here, I thought this bill is one that the Senate should vote on. Senators should be here and should vote on this bill.

Next year, all things being equal, it is my intention at the present time to see that we have a vote on this bill, a rollcall vote. I think Senators should indicate that much interest in ''the'' city of the Federal Government of the United States.

I happen to agree with the distinguished Senator from Illinois in respect to his comments concerning a tax cut. Senators will not find me supporting very many tax cuts, whether it is for the District of Columbia or elsewhere. I will have plenty to say about that in due time. But every Senator has a right to his own viewpoint. Every Senator is here representing his own State, trying to do the best he can. That is what I am trying to do. But we all have a responsibility toward this city.

I referred to the job of the distinguished Senator from Texas, Mrs. HUTCHISON, and the distinguished Senator from Illinois, Mr. DURBIN, as being a thankless task. What did I mean by that? That was not spoken in pejorative terms, it was not in derogation of the District of Columbia, but it is a thankless task insofar as getting any credit from the folks back home is concerned. It doesn't get any Senator any votes back home, if that is what one expects. So in that respect, it is a thankless task.

But we all, all 100 Senators and every person in the United States, owe our thanks to the Senators who give of their time to fulfill this responsibility. It is a responsibility; it is a duty. Nobody wants this job. I didn't want it, but I held it for 7 years and gave it my best because I thought that the District of Columbia was entitled to the best of my talents, my energy, and whatever limited wisdom I possessed. So we owe that to the District of Columbia. It is our capital. It is our seat of our Federal Government.

So I thank both Senators. They spend a lot of time on this matter, I can tell you, and it is not easy. And they are subject to many criticisms from editorials in papers in the District and from editorials, probably, in their own States. They are subject to these criticisms. In return, as I say, they won't get many thanks. But they get my thanks. I hope to call this to the attention of the Senate, as I am now trying to do, as I am saying to the people of the United States who may be watching at this hour: These two Senators are entitled to the thanks and the congratulations of the people of the United States and the people of the District of Columbia.

There are people in the District of Columbia who do not look back with great satisfaction on certain recent years. There is a Delegate to the U.S. House of Representatives. She has the privilege of the floor. She is not sitting in the gallery. The rules say that we cannot call attention to people in the galleries. I hope Senators will read that rule and refresh their memory. I trust the Presiding Officers will keep that in mind in the future and call it to the attention of any Senator who refers to people in the gallery; a person, name those persons. But we can refer

to an elected Delegate to the U.S. House of Representatives who has the privilege of this floor. I do that now with respect to Delegate ELEANOR HOLMES NORTON. She is highly respected, highly regarded, and she gives the best of her talents and services to the people of the District of Columbia who elected her. I salute her.

Again, I close by thanking the two fine Senators who have labored here and worked so late. I daresay the Senator from Texas would probably be on her way home, home in Texas. And the Senator from Illinois, I am quite sure, would be on his way home in Illinois. But he had a job to do here. He had a responsibility. I salute him, I thank him, and I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I think that was a very special statement made by the Senator from West Virginia, and I appreciate very much that he loves this Capitol and the seat of Government for all Americans. The fact that he spent 7 years on the Appropriations Committee chairing this subcommittee means that there was a lot of attention and a lot of care paid to this city.

I think he is right. I think we need to make sure this is a job well done. This is every bit as important as what I do for my constituents in Texas, because this is part of what I do for my constituents in Texas, and that is to make this the city that we all want it to be.

I am very pleased the Senator recognized Delegate ELEANOR HOLMES NORTON. I was going to do that as well, because Delegate NORTON is so interested in everything that applies to the District and she is always there, making sure that her constituents are represented. I have been very pleased to work with her and talk to her about these issues that affect her constituents. I hope she knows that all of us look at this Capital City as all America's city, which does give it a very special place in everyone's heart and means that all of us are going to take a special interest in making it a great city.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, if I might just take a moment of time here to thank the Senator from West Virginia. His kind words are high praise indeed.

This Washington, DC, has many museums which contain many national treasures, but the Senate has its own treasure in the Senator from West Virginia, and his dedication to this institution is just unparalleled. The fact that he would praise us for staying after 9 o'clock to do our job of course is belied by the fact that he is still here, prepared to say a few words as well, doing his job, as he always does, for the people of West Virginia.

I thank the Senator from West Virginia, as well as my colleague from Texas, for their kindnesses during consideration of this bill.

Mr. BYRD. Mr. President, I thank both Senators.

Mrs. HUTCHISON. Mr. President, I think we need to pass the bill.

The PRESIDING OFFICER. The question is on final passage of the bill.

The bill (S. 1283) was passed.

(The bill will be printed in a future edition of the RECORD.)

UNANIMOUS CONSENT AGREEMENT

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate receives from the House of Representatives the companion bill to S. 1283, the Senate immediately proceed to the consideration of that measure, that all after the enacting clause be stricken and the text of the Senate bill, S. 1283, as passed, be inserted in lieu thereof, that the House bill, as amended, be read for a third time and passed, that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and the Chair be authorized to appoint conferees on the part of the Senate and that the foregoing occur without any intervening action or debate.

I further ask unanimous consent that the bill, S. 1283, not be engrossed, that it remain at the desk pending receipt of the House companion bill, and that upon passage by the Senate of the House bill as amended, the passage of S. 1283 be vitiated and the bill be indefinitely postponed.

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

Mrs. HUTCHISON. Mr. President, I wish to thank profusely the staff who have worked so hard on this bill. As Senator BYRD said earlier, this takes a lot of time, because there are a lot of issues that are affected by this bill. I want to thank Mary Beth Nethercutt on the Appropriations Committee and Terry Sauvain, her counterpart on the minority side. They have done a wonderful job making sure that all the t's are crossed and the i's are dotted and the agreements are made and the agreements to disagree are put on the table. They have done a wonderful job.

On my staff, my legislative director Jim Hyland and Robb Woodson, who is the legislative assistant who has done so much to try to make sure that this is a very good and solid bill supporting the District of Columbia.

With that, Mr. President, I thank everyone for a job well done and appreciate once again Senator DURBIN's cooperation. We have had a great relationship. We have agreed to disagree on some issues, but I think he speaks from the heart, and I understand, even when we disagree, that we want the same goal. For that reason, I know we will have a good bill to come back out of conference for the Senate to adopt, and then we will continue to work with the District government to make sure our views are implemented and their views are implemented.

I yield the floor.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

AMENDMENT NO. 1186, AS MODIFIED

Mr. CAMPBELL. Mr. President, I send to the desk a modification of amendment No. 1186, previously agreed to within the foreign operations appropriations bill.

I ask unanimous consent the amendment be so modified.

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

The amendment (No. 1186), as modified, is as follows:

At the appropriate place, insert:

AUTHORIZATIONS

SEC. 599C. The Secretary of the Treasury may, to fulfill commitments of the United States, (1) effect the United States participation in the fifth general capital increase of the African Development Bank, the first general capital increase of the Multilateral Investment Guarantee Agency, and the first general capital increase of the Inter-American Investment Corporation; (2) contribute on behalf of the United States to the eighth replenishment of the resources of the African Development Fund, 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: $40,847.011 for paid-in capital, and $639,932,485 for callable capital, of the African Development Bank; $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; $2,410,000,000 for the International Development Association.

The PRESIDING OFFICER. The Senator from Washington.

MORNING BUSINESS

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business, with Senators permitted to speak for up to 10 minutes each.

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

Mr. GORTON. Mr. President, I ask for recognition to speak in morning business.

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

RECOVERY OF SALMON RUNS

Mr. GORTON. Mr. President, a thoughtful and detailed article appeared about a week ago in the Portland Oregonian indicating public expenditures of close to $1 billion during

the current year directed at the recovery of salmon runs in the Pacific Northwest. That is an extraordinarily large amount of money for a purpose of that nature.

A modest portion of it comes from State appropriations of the four States in the Columbia River drainage area. The largest single share of that almost $1 billion is paid for through the charges for electric power produced by the Bonneville Power Administration and others, and, therefore, by the residents of the region, but a very substantial share of that money comes from appropriations approved by this Congress.

As recently as 1 year or 18 months ago, I and many others in the region were critical of the billions of dollars of spending for this purpose on the grounds that they had shown few, if any results, and that, in fact, salmon runs had declined during that period of time.

That criticism is no longer entirely correct. We have had some recent successes, and I will mention a few of them in just a moment. But I think all would agree that those successes are not at this point a proper return on an investment of almost $1 billion a year.

For example, with the aid and assistance of my friend and colleague, the senior Senator from West Virginia, the Interior appropriations bill for the current year included $20 million appropriated to the State of Washington for these purposes. And this Senator has to confess that he is not entirely certain what the people of the United States have gotten for that $20 million at this point.

This Senator cannot point to a single significant success as a result. Part of the reason, of course, is that in the current year, the spending of that money has not been completed. Part of it is that the programs which it funds are new, and part of it is the fact that the very nature of the salmon resource requires a number of years to tell whether or not any positive results will take place. But nonetheless, we are faced with that very real challenge of determining whether or not we are getting our money's worth out of these investments.

For the next year, for fiscal year 2000, I can identify in our own work in this body significant amounts of money coming from the energy and water appropriations bill, especially through the Army Corps of Engineers, through the agriculture appropriations bill, through the Commerce-State-Justice appropriations bill, particularly close to $100 million for the enforcement and maintenance of a recent treaty signed with Canada on the subject of salmon in the Northwest, through the Environmental Protection Agency, and once again, through the appropriations bill the Senator from West Virginia and I will manage for the Department of Interior and related agencies.

In addition, of course, there will be those huge amounts of money, close to half a billion dollars a year, through rates charged for electricity by the Bonneville Power Administration and somewhat enhanced appropriations from the four States.

There are many, and I have been occasionally tempted toward this position myself, who will say that if we are not getting our money's worth and if there are so many different entities spending money on salmon recovery, would it not be appropriate to have a single federally appointed salmon czar who would determine how all of this money would be spent.

The argument for that proposition, I think, would be much stronger if there were a single salmon science; that is to say, if we knew precisely what we were doing, if there were one accepted way of getting the most for our money in connection with salmon recovery.

Of course, at this point, there is not. There are serious, well-founded debates throughout the country and in the Pacific Northwest as to various, widely different policy prescriptions for salmon recovery.

To have one decisionmaker for all of these expenditures is perhaps not wise, at least until we have learned a good deal more about how we go about attaining our goals.

I do think, however, there could be considerably more coordination than there is at the present time. Three years ago, I persuaded the Congress, as a rider on an appropriations bill, to create an independent scientific review board to advise the Bonneville Power Administration on how to spend the more than $100 million a year in actual cash grants that it gives for salmon recovery. I had learned in the previous year that those decisions were made by various self-interested parties who awarded almost all of the money themselves without any discernible positive impact at all, and the situation with respect to that roughly 10 percent of the money spent on salmon recovery has been considerably improved by that independent scientific review.

I introduced a bill this year that would expand its authority to all the decisions made by the Bonneville Power Administration, not just direct money grants, but revenue foregone from its power cells, and I hope that the Congress will soon consider and pass that proposal.

Nevertheless, there remains a great deal of room for additional experimentation in connection with salmon recovery.

The bill which will be presented by the Senator from West Virginia and myself in a few weeks for the Department of the Interior will include a modest $4 million figure that will not go directly to the State of Washington, in this case, but will go, I hope, through a nonprofit organization which tells us that it can more than match the amount of money that we will appropriate and will direct most of its money at private volunteer citizen organizations.

I have found that those organizations do give us very much value for the money. Earlier this year, one local group of salmon recovery volunteers joined forces with a landowner on Snow Creek in my State. They received the cooperation of the Association of General Contractors in the State of Washington, an association that has a huge investment in connection with salmon recovery because of the impact of the Endangered Species Act on its ability to build.

Together, these volunteer organizations and private donors and representatives of the building industry have come up with an extremely constructive and almost certainly effective salmon recovery plan for a single stream. Like them, an organization of volunteers called Long Live the Kings is one of the dozen or more such organizations in the State of Washington, each of which is working on a single stream or group of streams with tremendous volunteer labor and great enthusiasm. Aid and assistance to them without detailed regulation from the State seems to me to be a wise investment of a modest portion of our money in this respect.

There are some in this body and others who say this is a regional problem and it should be paid for entirely by the region itself. And certainly the people of the Pacific Northwest put a very high value on salmon recovery.

But the way in which they must approach that salmon recovery is governed almost entirely, some would say distorted, by the Endangered Species Act, an act of the Congress of the United States which is both broad in one sense and very narrow in another sense in its scope, and governs many decisions in the State far beyond simply the management of our waters and of our salmon recovery itself.

So the Federal Government, having imposed these requirements, has an obligation at least substantially to help fund them. Nevertheless, I am here today to say that while this is a very high priority of the Congress, an extremely high priority of the people in my State and the other States in the Columbia River Basin, it is one on which we know and believe we should be held accountable by the Congress. We will do the best job we possibly can with the moneys appropriated by Congress or directed by Congress to see to it that we are successful.

Recent listings in the Puget Sound area now have the Endangered Species Act, for the first time, as having an immense impact on a major metropolitan area in the United States. The people of my State are eager to take on that task. They have asked for modest help

from us here. We are giving them that modest help. We will keep Congress and the people of the United States advised of how well we are doing with the generous assistance that my colleagues have helped me to provide.

THE ALABAMA STURGEON

Mr. LOTT. Mr. President, the story of the efforts to protect the Alabama Sturgeon has been a very long and very ugly one. For many years Congress has been involved. Just three years ago, Congress thought they had put an end to the listing battle when a partnership was formed between the Fish and Wildlife Service (FWS) and the Alabama Department of Natural Resources and Conservation. A five-year recovery plan was established to repopulate the Tennessee-Tombigbee with Sturgeon. Now this program has fallen to pieces, because the FWS pulled the plug by taking the dedicated funds and proceeding directly to a formal listing under the Endangered Species Act.

The FWS needs to do the right thing. For me, this means the FWS should honor the partnership it set up with Alabama's Department of Conservation and Natural Resources. This program is at year three of a 5-year program and there is no evidence that the state of Alabama was performing poorly. However, it is clear the FWS wants to renege on the deal. Renege on a program that provides more direct and dedicated funding, and thus more resources, for the Alabama Sturgeon restoration than any funds the Fish and Wildlife Service spent under its own auspices. This simply does not make fiscal or scientific sense.

In both 1993 and 1994 Congress opposed the endangered species listing of the Alabama Sturgeon because of the lack of sound science. Congress also recognized the tremendous economic impact this listing would have on our region. The listing would have caused billions of dollars in river commerce to be disrupted. Nothing has changed in six years—no new science—no difference in the economic impact.

The FWS promised that the habitat designation will not require the stopping of dredging. However, someone forgot to tell the FWS office in Daphne, Alabama, what their position is supposed to be. The FWS office in Daphne, Alabama, has stated in writing that maintenance dredging will harm the sturgeon, and thus must not occur. I ask unanimous consent that the attached letter written to the Mobile, Alabama, office of the Army Corps of Engineers on June 17, 1999, be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Daphne, AL, June 17, 1999.

DISTRICT ENGINEER,
U.S. Army Corps of Engineers,
Mobile, AL.

DEAR SIR: This is the report of the U.S. Fish and Wildlife Service (Service) concerning public notice AL99–01811–F, in which the applicant, Boise Cascade Corporation, is proposing to hydraulically maintenance dredge approximately 2,000 cubic yards of silt, sand, and clay, per year, for five years from the Tombigbee River, near mile 89, Washington County, Alabama. All excavated material would be placed in the applicant's upland disposal site. The proposed maintenance dredging is currently authorized by Department of the Army General Permit Number ALG98–02923–E. This report is prepared in accordance with the requirements of the Fish and Wildlife Coordination Act (16 U.S.C. 661–667e) and is to be used in your determination of 404(b)(1) guidelines compliance (40 CFR 230) and in your public interest review (33 CFR 320.4) as they relate to protection of fish and wildlife resources.

We do not believe that this project would have significant impacts on non endangered fish and wildlife resources. However, we have determined that the federally threatened gulf sturgeon (*Acipenser axyrhincus desotoi*) occurs in the project area. Our records indicate that this species has been found in the Tombigbee River both upstream and downstream of the proposed dredge site. The Gulf Sturgeon is an anadromous fish that migrates from salt water into coastal rivers to spawn and spend warm months. The majority of its life is spent in fresh water. Major population limiting factors are thought to include barriers (dams) to historical spawning habitats, loss of habitat, poor water quality, and over fishing. However, we have determined that the proposed project will likely not affect this species if the following recommendations are adopted and used:

(1) No dredging work shall be performed during the months November through April.

(2) No work should be conducted across the entire river channel at any one time. (All underwater activity shall be limited to one general location within the river channel at any time.)

(3) No work barges or vessels should be moored in shallow waters along the shorelines from November through April.

If the applicant agrees to these conditions, formal consultation under the Endangered Species Act, Section 7, will not be necessary at this time. Implementation of these measures should provide adequate protection to avoid any impact on Gulf sturgeon inhabiting these waters during winter months or migrating to/from the Gulf of Mexico. Therefore, if they are followed, no further endangered species consultation will be required for this portion of the project unless: (1) the identified action is subsequently modified in a manner that causes an effect on this listed species; (2) new information reveals the identified action may affect another Federally protected species or a critical habitat in a manner or to an extent not previously considered; or (3) a new species is listed or a critical habitat is designated under the Endangered Species Act that may be affected by the identified action. Our positions on the proposed maintenance dredging project is based on the assumption that Best Management Practices will be followed and the Alabama State Section 401 CWA certification is not violated.

If you have any questions, please contact Mr. Dean Heckathorn at 334/441–5181.

Sincerely,

E.R. ROACH,
Acting Field Supervisor.

Mr. LOTT. This letter clearly states that dredging can only occur during six months of the year, and at no time can work be conducted across the entire river channel. It is clear to me, and it is clear to all my colleagues in the chamber today that dredging will be stopped. Also, on May 10, 1999, the FWS office in Daphne, Alabama, again wrote the Mobile Corp about another maintenance dredging project in Mobile. I ask unanimous consent that this letter to the Mobile Corp of Engineers be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Daphne, AL, May 10, 1999.

DISTRICT ENGINEER,
U.S. Army Corps of Engineers,
Mobile, AL.

DEAR SIR: This is the report of the U.S. Fish and Wildlife Service (Service) concerning public notice AL99–01328–S in which the applicant, Kimberly-Clark Corporation, is proposing to maintenance dredge within an existing dry dock slip on David Lake, near Mobile River, Mobile County, Alabama. A 200-foot-long by 52-foot-wide area would be dredged to a depth of minus 24 mean low water (MLW). All material would be placed within an existing upland disposals area. This report is prepared in accordance with the requirements of the Fish and Wildlife Coordination Act (16 U.S.C. 661–667e) and is to be used in your determination of 404(b)(1) guidelines compliance (40 CFR 230) and in your public interest review (33 CFR 320.4) as they relate to protection of fish and wildlife resources.

The Service does not object to this proposed project. However, the federally listed Gulf sturgeon (Acipenser oxyrinchus desotoi—Threatened) and the proposed for listing, Alabama sturgeon (Scaphirhyncus suttkusl) are found in these waters. The Gulf sturgeon is an anadromous fish which migrates from salt water into large coastal river to spawn and spend the warm months. According to our records the Gulf sturgeon seasonally occurs and the Alabama sturgeon is a permanent resident within the Mobile River. Throughout their ranges these species have had their forage and spawning habitats adversely affected from dams. In addition, dredging, desnagging, and spoil deposition carried out in connection with channel improvement and maintenance represent an ongoing threat to these sturgeon species.

In order to avoid adverse impacts to these species covered by the Endangered Species Act of 1973, as amended, (16 U.S.C. 1531 et seq.) (ESA), we recommend that the applicant implement appropriate Best Management Practices (BMPs) including the use of turbidity screens, as necessary to minimize turbidity downstream of the project site. Dredging activities should not exceed ambient water clarity of more than 50 Nephelometric turbidity units (NTU's). The Service believes that your project will not have an adverse effect on these sturgeon species, if these BMPs are followed. If these conditions are not acceptable then further consultation with this office is recommended in accordance with Section 7 of the ESA.

Should you have any questions or require additional information, please contact Mr. Dean Heckathorn at (334) 441–5181.

Sincerely,

E.R. ROACH,
Acting Field Supervisor.

Mr. LOTT. This letter stated ''dredging, desnagging, and spoil disposition carried out in connection with channel improvement and maintenance represent an ongoing threat to these sturgeon species.'' Again this proves dredging will be stopped, and the FWS will not hold true to its oral promises here in Washington.

During this time frame a lawsuit has also been pending in the United States District Court for the Middle District of Alabama, styled Alabama Sturgeon. et al. v. Bruce Babbitt, as Secretary of the Interior, et al. Two months ago, on April 26, 1999, the court issued an Order noting the parties were engaged in ''settlement negotiations'' which were likely to lead to dismissal of the lawsuit. Four days later, on April 30, 1999, for some unknown reason the court issued the Order proposing to dismiss the lawsuit upon the payment of $20,000 in attorneys' fees and costs to the plaintiffs by the government. Neither the Court Order nor the Joint Stipulation of Dismissal and Notice of a Compromise Settlement of Attorney's fees and Costs makes any attempt to justify the rationale for this result. For some reason the Justice Department apparently decided to simply make a gift of $20,000 to the lawyers in this case.

This Administration has not only given away $20,000 to these lawyers to sweep this lawsuit under the rug, it also stole more than $400,000 designated for sturgeon restoration. I am disappointed by these actions.

It is my firm belief that Alabama's Federal partner is not motivated by a desire to restore the sturgeon. Clearly, making a decision to list the Alabama Sturgeon as an endangered species, while having no new scientific information must be based in politics—not science. Why an adversarial approach? The solution to this politically driven problem is simple. Let Alabama finish its 5-year program. The Fish and Wildlife Service action is wrong for Alabama . . . wrong for Mississippi . . . wrong for America. We all must continue to press forward in this fight to do the right thing for the Alabama Sturgeon in spite of these actions by FWS.

AMBASSADOR JAMES R. SASSER

Mr. BINGAMAN. Mr. President, I want to take a moment to call the attention of my colleagues to an important day for one of our former colleagues; and that is, Senator Jim Sasser, who is returning from China where he has served this country very well as our Ambassador for the last 3½ years. He was confirmed in this Senate on December 19, 1995, and with an overwhelming vote.

We are proud of the service he has performed, particularly in recent months, because of the strained relations we have had and the genuine misunderstanding which has existed concerning the bombing of the Chinese Embassy in Belgrade.

I think all of us were proud to see the way former Senator Sasser, Ambassador Sasser, conducted himself, and how all of the American Embassy personnel conducted themselves in that circumstance. I think that is typical of the service he provided throughout the time he was in China.

We are glad to see him back in the United States. We, of course, look forward to many years of friendship with him in the future.

I think it is worth noting, because I understand he is returning today from China and has distinguished himself in that position and deserves recognition.

Mr. President, I yield the floor.

Mr. FEINGOLD. Mr. President, I rise to honor one of our former colleagues, Jim Sasser, who today completes his term as United States Ambassador to China.

I was honored to serve with Jim Sasser during my first two years as a member of this body. He served the people of Tennessee with distinction. As a member of the Senate Committee on Foreign Relations, I was pleased to support his nomination to be our Ambassador to China both in Committee and on the Senate floor. Although I have serious concerns about United States policy toward China, I believe that Ambassador Sasser served this country admirably during a period of immense strain in the complex relationship between the two countries.

In particular, he displayed enormous poise and courage in the days that followed the unfortunate, tragic, and accidental bombing of the Chinese embassy in Belgrade. For more than four days, Ambassador Sasser and numerous staff members were literally trapped inside the United States embassy in Beijing as thousands of demonstrators chanted anti-American slogans and threw rocks at the embassy from the streets outside. I commend him for the calm and diplomatic manner in which he dealt with this tense situation. He reminded us that ambassadors are more than just the official representatives of the United States; they are also the chiefs of mission with responsibility for the staff of many U.S. agencies, as well as the responsibility for the safety of American citizens living or traveling in the countries in which they serve. Our former colleague carried out all of these functions admirably under difficult conditions.

I wish Ambassador Sasser well in his future endeavors.

Mr. CONRAD. Mr. President, I would like now to take a moment to acknowledge the accomplishments of my former colleague and friend James Sasser, the United States Ambassador to the People's Republic of China. I need not remind the Senate of the quality of his leadership as fellow member, and former chairman, of the Budget Committee. It is not his 18 year tenure in the Senate that I want to discuss at this time, but his distinguished work as Ambassador to China.

Over the past three years, the People's Republic of China has been turbulent both socially and economically. From the reversion of Hong Kong in 1997, to the heightened concern about human rights violations, to the recent developments in Kosovo, it is an understatement to say that the task set before James Sasser was daunting. From the onset of his appointment in 1996, during the Chinese missile testing in the Taiwan straits, James Sasser has worked tirelessly towards a ''strong, stable, prosperous China,'' and towards the realization of an equally healthy relationship with United States.

The frontier of Chinese-US relations is a fast changing one, and Sasser's efforts have been considerable. Through the continued promotion of tariff reduction he has helped to launch American business towards the exploration of the Chinese market and helped to secure important trade commitments in the negotiations of the PCR's accession by the WTO.

There has also been considerable progress on the human rights front during the term of Sasser's Ambassadorship. Coupled with the release of prominent political and religious leaders, the PRC's ratification of the International Covenant of Economic and Social Rights is one of the most significant signs of progress with respect to civil rights in China. Sasser has also pioneered agreements with the PCR concerning the nonproliferation of nuclear technology, striving'' to cooperate on the peaceful uses of nuclear energy and halt the spread of nuclear weapons technology.''

It is with regret that I acknowledge James Sasser's departure. His counsel will be greatly missed. His accomplishment as US Ambassador to China will be remembered as important in advancing the opportunity for a sound relationship between the two countries. I would like to extend my sincere thanks for a job well done.

Mr. DASCHLE. Mr. President, I want to take a few moments to congratulate one of our former colleagues and a dedicated public servant, Jim Sasser, who leaves Beijing this week as our longest-serving ambassador to the People's Republic of China. I commend him for his distinguished and accomplished record in that demanding post.

I was proud to serve with Jim Sasser for eight years here in the Senate. I observed his fine work as Chairman of the Budget Committee, and as a key member of the Appropriations, Banking and

Government Affairs Committees. He did much for the people of his home state of Tennessee, and for the people of this Nation.

When Senator Sasser assumed the chairmanship of the Budget Committee in 1989, we faced growing budget deficits as far as the eye could see. When he left the Senate in 1995, he had worked to set us on a course of fiscal discipline that has created unprecedented economic prosperity and led to the largest budget *surpluses* in our history. He made the hard choices, he made the tough political judgments, and he displayed tremendous legislative skill in helping put an end to the huge budget shortfalls that plagued our country for far too many years.

We were fortunate, them, when Jim Sasser again answered the call to public service when his third term in the Senate came to an end. As our ambassador to China, he has confronted important issues and major problems at a crucial time in our relationship. He traveled first to Beijing during the crisis in the straits of Taiwan in early 1996. He comes home in the wake of the accidental bombing of the Chinese embassy in Belgrade. In the three-and-one-half years in between, Ambassador Sasser has worked tirelessly to ensure that such incidents will not fundamentally alter the course of our relations with the world's most populous nation.

During Ambassador Sasser's tenure, we have seen the exchange of visits between our countries' presidents and the very successful U.S. tour of Premier Zhu Rongji. Those exchanges highlight the hundreds of less prominent, but no less productive, meetings and negotiations that have taken place at various levels of government and business over these 40 months.

Clearly, we have important differences with the Chinese. They existed before Jim Sasser went to China, and they will persist after his departure. But the interests that unite us—in trade, in a cleaner environment, in combating drugs and terrorism, in controlling the spread of weapons of mass destruction—also remain the same. By helping find the common ground on these issues, by maintaining a constructive dialogue based on those common interests even at the worst of times, Ambassador Sasser has strengthened one of our most important bilateral relationships. And he has done it with the personal touch and political skill those of use who were privileged to serve with him in the Senate know so well.

So, today I say thank you to Jim Sasser. Thank you again for your service as a member of the United States Senate, and thank you for skillful diplomacy as our ambassador to China. I know all my colleagues will join me in congratulating Ambassador Sasser for a job well done, and in welcoming him and his wife Mary back home.

Mr. BYRD. Mr. President, today marks another milestone in the remarkable career of a remarkable man—former Senator James Sasser of Tennessee. Today, after three-and-a-half tumultuous years, Jim Sasser formally relinquishes his post as U.S. Ambassador to the People's Republic of China and prepares to return home.

I am told that Henry Kissinger gave a speech in Beijing the other day and called Jim Sasser ''the best Ambassador we have sent to China.'' Having served with Jim for 18 years in the United States Senate, I am not surprised at the accolades he has received for his service as U.S. Ambassador in one of the most difficult and sensitive posts in the world.

Jim Sasser is a man of decency, integrity, and honor. Throughout his globe-spanning career, as a lawyer, a United States Senator, and a diplomat, he has never strayed far from his rural west Tennessee roots, where he learned the core values that have guided his actions ever since. In 1989, when I became chairman of the Appropriations Committee, Jim took over the chairmanship of the Senate Budget Committee. Together, we successfully tackled many of the thorny budget and appropriations issues that arose in the early 1990's. I was privileged to work closely with him for many years on the Senate Appropriations Committee, where he served with distinction as Chairman of the Military Construction Subcommittee.

It is clear that the hard work, talent, and leadership that he demonstrated throughout his Senate career served Jim well when he took over the post of Ambassador to China in 1996. U.S. relations with that nation have experienced dizzying swings during Jim's tenure, reaching their lowest point when the U.S. embassy in Beijing came under siege during the Kosovo conflict, but Jim has always remained above the fray, earning the respect of U.S. and Chinese officials alike. Few of us who know him can forget the haunting photograph of Jim Sasser standing behind the shattered window of the embassy at the height of the anti-American demonstrations in China just two months ago.

Mr. President, four-and-a-half years ago, I stood in this spot to bid Senator Sasser farewell upon his retirement from the Senate. Today, I am pleased to welcome him home to America again. He has served our nation with distinction, and I am confident that he will continue to do so in the coming years wherever the future may lead him.

Mr. BAUCUS. Mr. President, I rise today to honor a friend and former colleague of many of us in this Chamber, Jim Sasser. Jim will complete his assignment as our Ambassador in Beijing this week, an assignment that has lasted forty months, longer than any previous American Ambassador to China.

After three terms in the Senate, including his excellent leadership as Chairman of the Budget Committee, Jim spent a year in the private sector before taking up residence in Beijing in February of 1996. Since then, Jim has watched over the U.S.-China relationship during an incredibly tumultuous period.

Jim arrived in Beijing just as the crisis began in the Taiwan straits in early 1996. Three years later, he watched over the first exchange of Presidential visits between our two countries when Jiang Zemin visited the United States and President Clinton paid a return visit to China earlier this year. I had the distinct honor to lead the Congressional delegation accompanying the President to China and can attest that I was profoundly impressed by Jim Sasser's understanding and management of this critically important and complex bilateral relationship.

Then, most recently, we all watched with great worry and anticipation as Jim was trapped inside the Embassy during the violent demonstrations against the United States. We saw him ably represent and defend American interests during that extremely difficult and tense week.

Jim Sasser has represented this country through the most difficult of circumstances. When Jim left the Senate, I was proud that to have served in this body with him. As he leaves China, I am proud that he was my country's representative there. I wish him the best and know that my colleagues do so as well.

Mr. AKAKA. Mr. President, I rise today to pay tribute to our former colleague, a dear friend and a great American, Ambassador James R. Sasser, whose distinguished service as United States Ambassador to the People's Republic of China ended yesterday. Ambassador Sasser helped guide US-China relations through an interesting and complicated period, and as he and his family return to the United States I want to thank him for his dignified representation of our country.

I was privileged to serve with Jim Sasser when he was a member of the United States Senate. From 1977–1995, Jim Sasser distinguished himself first as the junior Senator, then later as the senior Senator from the State of Tennessee. While a member of the United States Senate, Senator Sasser served as chairman of the Senate Budget Committee and as chair of numerous subcommittees on a variety of domestic and foreign policy areas. During his tenure in the Senate, Senator Sasser introduced legislation to improve child nutrition, increase regulation of savings institutions and enhance research and training for geriatric diseases. However, Senator Sasser was best known for his role as chairman of the

Senate Budget Committee where he worked with the White House to secure passage of the 1993 Budget Reconciliation and Deficit Reduction Act, an accomplishment that is in large part responsible for the unprecedented period of economic growth our nation enjoys and the transformation of an escalating federal budget deficit into an impressive surplus.

Moreover, Senator Sasser distinguished himself on foreign policy issues, courageously speaking his mind on issues such as the Reagan Administration policies in Central America. He was well respected by his colleagues and was known for his sharp intellect and genial personality. His campaign slogan during his 1976 Senate campaign was ''in behalf of a government that reflects our decency.'' Senator Sasser lived up to that promise through his distinguished record in the United States Senate.

After returning to private life in 1995, Jim Sasser served as a Fellow at the Kennedy School of Government at Harvard University before he was nominated as Ambassador to China. On January 10, 1996, Jim Sasser was sworn in by Vice President AL GORE as United States Ambassador to the People's Republic of China. Knowing that Sino-American relations were at an all time low, Ambassador Sasser went to the People's Republic of China with the same diligence that distinguished him as a Senator. The first motto that he graced the Chinese Embassy with, ''We may doze, but we never close,'' typifies the job that Ambassador Sasser did for three remarkable years.

Ambassador to China is one of the most difficult assignments for a diplomat. Dealing with the government of the most populous country in the world can be an intimidating task. Ambassador Sasser rose to the challenge and quickly established amicable relationships with President Jiang Zemin and most recently with premier Zhu Rongji. So tight were there bonds that Premier Zhu said after his trip to America with Jim Sasser last year. ''I would never have made it without the Ambassador.'' The relationships allowed Ambassador Sasser to navigate through the tough times in United States-China relations and have helped build and sustain cordial relations between the President of the United States and the President of the People's Republic of China. Moreover, his 18 years of distinguished service in the U.S. Senate helped prepare him for dealing with domestic and foreign policymakers in both countries.

Just weeks after Ambassador Sasser was sworn in, his diligence was tested when China began missile tests over the Taiwan Strait. Recently, United States-China relations were strained once again by the tragic, accidental bombing of the Chinese Embassy in Belgrade during NATO air strikes and reports of Chinese espionage of our national nuclear weapons laboratories. Ambassador Sasser distinguished himself and the entire American contingent of diplomats in China by acting in a respectful and sympathetic manner to the Chinese government during this unfortunate incident. I will never forget the photographs of Ambassador Sasser in the ruins of our embassy in Beijing. The calm, composed, and dignified manner in which he responded to the seige at our embassy and ambassador's residence are the benchmark for grace under fire and will forever symbolize the sacrifice and skills of our nation's diplomatic corps and foreign service personnel.

I had the opportunity to visit and talk with Ambassador Sasser on numerous occasions in Beijing. His assistance and advice was always courteous and on point. From human rights issues to intellectual property copyrights, Ambassador Sasser has done a tremendous job representing and communicating American interests in the People's Republic of China. During his 40 months of service as American Ambassador to China, the longest tenure of any American Ambassador to China, Jim Sasser has accomplished so much in helping to improve Sino-American relations. His achievements are numerous and commendable. Ambassador Sasser's service has helped advance cooperation between American and Chinese political and security officials. Economic relations between our two countries have improved under Ambassador Sasser's leadership including ongoing negotiations for admitting China into the World Trade Organization. In the area of nuclear nonproliferation, Ambassador Sasser has seen the Chinese government address U.S. concerns about providing assistance to rogue nations, as well as issuing a State Council directive controlling export of dual-use items with potential nuclear weapons uses. The U.S. Embassy in China has also helped to secure relief assistance to Chinese earthquake victims. The list of accomplishments of Ambassador Sasser and his corps of diplomatic officials goes on and on. His record as Ambassador speaks for itself.

Although United States-China relations have been damaged by the accidental bombing of the Belgrade embassy, we can say that relations with China are better now than they were 3 years ago when Ambassador Sasser assumed his post in Beijing.

Now that Jim and Mary have returned safely home, I would like to take one final opportunity to thank them and his family for their courageous service and commitment to serving America in China. I have to agree with former Secretary of State Henry Kissinger's assessment of Ambassador Sasser as ''the best Ambassador to China we've ever had''. To Jim Sasser and his family, I say maholo nui loa, thank you very much, for your service and bid you aloha, welcome home.

CHANGES TO THE BUDGETARY AGGREGATES AND APPROPRIATIONS COMMITTEE ALLOCATION

Mr. DOMENICI. Mr. President, section 314(b)(5) of the Congressional Budget Act, as amended, requires the chairman of the Senate Budget Committee to adjust the appropriate budgetary aggregates and the allocation for the Appropriations Committee to reflect an amount provided for an earned income tax credit compliance initiative.

I hereby submit revisions to the 2000 Senate Appropriations Committee allocations, pursuant to section 302 of the Congressional Budget Act, in the following amounts:

[In millions of dollars]

	Budget authority	Outlays
Current allocation:		
General purpose discretionary	533,971	543,967
Violent crime reduction fund	4,500	5,554
Highways	.....	24,574
Mass transit	.....	4,117
Mandatory	321,502	304,297
Total	859,973	882,509
Adjustments:		
General purpose discretionary	+144	+146
Violent crime reduction fund	.....	.....
Highways	.....	.....
Mass transit	.....	.....
Mandatory	.....	.....
Total	+144	+146
Revised allocation:		
General purpose discretionary	534,115	544,113
Violent crime reduction fund	4,500	5,554
Highways	.....	24,574
Mass transit	.....	4,117
Mandatory	321,502	304,297
Total	860,117	882,655

I hereby submit revisions to the 2000 budget aggregates, pursuant to section 311 of the Congressional Budget Act, in the following amounts:

[In millions of dollars]

	Budget authority	Outlays	Deficit
Current allocation: Budget resolution	1,428,920	1,415,349	−7,267
Adjustments: EITC compliance	+144	+146	−146
Revised allocation: Budget resolution	1,429,064	1,415,495	−7,413

THE SUPREME COURT'S END-OF-TERM DECISIONS

Mr. LEAHY. Mr. President, the Supreme Court ended its term last week with a trio of deeply disturbing decisions regarding the role of the States and Congress in our federal system. In Alden v. Maine, the Court made it impossible for State employees to enforce their rights under the Fair Labor Standards Act, which for decades has guaranteed public and private employees nationwide a fair minimum wage.

In College Savings Bank, the Court deprived private parties of the ability to enforce federal unfair competition law against the States. And in Florida Prepaid, the Court held that Congress

can execute its constitutional mandate to protect patents as against States only if the Court is satisfied that there is a sufficient ''pattern of constitutional violations'' of patent rights by the States. The Court also made an unprecedented suggestion about how we must write legislation: that we must expressly invoke a constitutional provision before it will honor our authority to legislate.

These three decisions, all by the same bare majority, are disturbing on three fronts. First, they seem to be premised on obsolete notions of natural law, with no basis in the text of the Constitution, and they expressly depart from established constitutional precedent. Second, they will make it harder for ordinary Americans to enforce their federally-protected rights against States. Third, they will make it far more difficult for Congress to enforce uniform policies on matters of national concern.

Justice Souter has eloquently explained how the Court's decisions will harm individuals. Dissenting in the Alden case, Justice Souter pointed out that the majority's decision left Maine's employees with a federal right to get paid for overtime work, but no way to enforce it. This flies in the face of logic, precedent, and common sense. As every first-year law student knows, where there is a right, there must be a remedy.

The maintenance of State sovereignty is clearly a matter of great importance. For this reason, I have been critical of the increasing intrusion of federal regulation into areas traditionally reserved to the States.

In particular, I have expressed concern about the seemingly uncontrollable impulse to react to the latest headline-grabbing criminal caper with a new federal prohibition. This Congress has also extended the federalization of State laws to civil law matters traditionally the province of the States, as in the Y2K bill. But though I watch the federalization of the law with concern, I cannot agree with the Court's decisions, which privilege States' rights over those of both the individual citizen and the federal Government. It is one thing to say that Congress should forbear from interfering in areas that are adequately regulated by the States; it is quite another thing to say that Congress may not exercise its constitutionally-delegated authority even when the national interest so demands.

We on the Senate Judiciary Committee hear a good deal of rhetoric about judicial activism. Here we have the real thing. The Court's so-called conservatives, who routinely limit individual constitutional rights on the basis of supposed strict adherence to the constitutional text, have suddenly developed a natural law concept of State sovereignty that even they admit has no basis in the constitutional text.

These conservative activists have reached out to overrule solid legal precedent. Thirty-five years ago, in Parden v. Terminal Railway Company, the Court held that States may lose their immunity by engaging in ordinary commercial ventures. This makes a good deal of sense.

Why should States that choose to act outside their core sovereign powers and compete in the marketplace get an edge over their regulated private competitors? Certainly, nothing in the Constitution suggests that they should. By overruling Parden, the Court's ''conservatives'' abandoned all pretense of judicial restraint.

Let me turn now to the flip-side of the Court's new emphasis on States' rights. In strengthening the power of the States, the Court has weakened the power of Congress and the federal Government.

We should, I believe, pay particular attention to the Court's restrictive reading of Congress's authority to enforce the Fourteenth Amendment.

This amendment grants the Congress the power to enforce, by appropriate legislation, federal constitutional rights. Last week, for the second time in as many years, the Court invalidated an Act of Congress because of the perceived deficiency of the legislative record. The Court held, in effect, that Congress may not exercise its power pursuant to the Fourteenth Amendment unless it justifies itself, in advance, to the satisfaction of the federal courts. This demonstrates a breathtaking lack of respect for a co-equal branch of Government. Congress is not an administrative agency, and it should not be required to dot every ''i'' and cross every ''t'' before taking action in the public interest.

The Court's ''no-deference'' approach could complicate a broad range of current legislative initiatives. I will note just two that are of critical importance to me: civil rights and intellectual property.

The Religious Liberty Protection Act, which was recently reported by the House Judiciary Committee, is an important congressional effort to protect religious liberty after the Court struck down our previous attempt in the 1997 City of Boerne case. To the extent that any new bill rests on our authority under the Fourteenth Amendment, we must now do the work of an administrative agency to develop an evidentiary record that will satisfy the Supreme Court.

The end-of-term decisions will also make it harder for Congress to design a uniform system that will apply throughout the nation to protect important intellectual property interests. Intellectual property rights are deeply rooted in the Constitution, which provides in Article I that ''The Congress shall have power . . . [t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.'' I have worked hard over the years to provide the creators and inventors of copyrighted and patented works with the protection they may need in our global economy.

Yet, the Court's decisions will have far-reaching consequences about how these intellectual property rights may be protected against even egregious infringements and violations by the States. For example, in light of the Court's decisions, will Congress now have to write one law for private universities, libraries and educational institutions, while State-run institutions are free to do whatever they please. This is a matter that Chairman HATCH and I will have to examine closely in the Judiciary Committee as we consider a host of intellectual property matters ranging from distance education, database protection, cyberpiracy of domain names, and others.

The Court's new conception of federalism poses an interesting challenge to Congress. Over the coming years, we can expect a flurry of lawsuits aimed at testing the limits of last week's rulings and of this body's legislative authority. In fact, the Court has already agreed to decide next term whether States are immune from suits charging that they have violated the federal law against age discrimination and whether they may be sued for defrauding the federal government.

I have risen to discuss the Court's end-of-term decisions for two reasons. First, I agree with the four dissenting Justices that these decisions are an egregious case of judicial activism and a misapplication of the Constitution. The four dissenters expressed their belief that the Court's new direction will eventually be reversed. I hope this is so. In the interim, however, we need to determine what means remain to Congress to fulfill the promise of the Constitution, which guarantees national supremacy to federal law and to federally-protected rights.

At least three paths remain open to us. First, Congress can require States to waive their immunity from suit as a condition of receiving federal funds. Second, since the States are not immune from suit by the federal Government, Congress can empower federal authorities to collect damages on behalf of private citizens whose federal rights have been violated by States. Third, Congress can give more emphasis to preventative remedies, since nothing in the Court's decisions affects the ability of individuals to sue States for injunctive relief.

I urge all Senators to study the Court's decisions. We need to work together with a clear understanding of the Court's new constitutional order.

KAREN SCHREIER'S CONFIRMATION AS UNITED STATES FEDERAL DISTRICT JUDGE FOR SOUTH DAKOTA

Mr. JOHNSON. Mr. President, I rise to express my appreciation of my colleagues for their overwhelming and bipartisan support for confirmation of Karen Schreier as a United States Federal District Judge for South Dakota. Karen Schreier has established an extraordinary reputation for skill and integrity during her years of private law practice, and as a very successful United States Attorney.

It is of historic note, that Karen is about to become the first female federal judge in South Dakota's 110-year history, and her outstanding achievements as an attorney, community leader, and federal judge will serve as a model for countless other talented young people throughout our state—both men and women. Most importantly, however, her ascension to the federal bench is a victory for justice and the rule of law. South Dakota and our nation will be very well served by Karen Schreier's tenure as Federal District Judge for South Dakota.

I also must observe that even the most talented of individuals does not achieve the highest career success without the support and assistance of other important people in their lives. I had the great honor and pleasure of serving in the South Dakota legislature with Karen's father, Harold Schreier. Harold represented the very best of public service in our state, and I know that Karen's success would be of enormous pride and satisfaction to him. Karen's mother, Maysie Schreier, has been a wonderful resource in the Flandreau community in her own right, and her values and determination are reflected in her daughter. Karen's husband, Tim Dougherty, is a talented lawyer, community leader and source of never-ending support and encouragement. Tim's father, Bill Dougherty, has for many years been one of South Dakota's foremost political leaders and voice for common-sense and progressive public policy. Bill has been the father of a great deal of legislative accomplishment in our state, but I have a feeling that Karen's success will always be one of his greatest sources of pride.

Mr. President, it is with wonderful personal satisfaction, that I can today offer my congratulations to Karen Schreier on her confirmation. Congratulations as well, to the Schreier and Dougherty families—outstanding South Dakota families, and valued personal friends!

SILVERY MINNOW—CRITICAL HABITAT DESIGNATION

Mr. DOMENICI. Mr. President, I rise today to discuss recent developments regarding the Rio Grande River in New Mexico, an endangered species called the silvery minnow, and praiseworthy action by the Senate Environment and Public Works Committee earlier this week.

As I have previously outlined before to my colleagues, a complicated and potentially chaotic situation involving literally hundreds of thousands of water users along the Rio Grande in my state could emerge this year. Yesterday, the Fish and Wildlife Service designated almost 170 miles of the Rio Grande channel as critical habitat for the silvery minnow. This designation, as Secretary of Interior Bruce Babbitt testified earlier this year, is prematurely driven by a court order before the needs of the minnow and economic impacts are known. Indeed, this is a ''cart before the horse'' situation that would be comical if its consequences weren't potentially so tragic.

In light of this situation, the action by the Senate Environment and Public Works Committee Tuesday is heartening in two respects. First, I want to profoundly thank Senator CHAFEE, chairman of the committee; Senator BAUCUS, ranking member; and Senator CRAPO, chairman of the relevant subcommittee, and their staffs, for their help on S. 1100, a precisely crafted bill that would bring a logical and commonsense reform to the present Endangered Species Act. Second, I also thank the various environmental organizations and their staffs that helped us in this effort. This was a unique, bi-partisan undertaking. I think the committee's work shows that intelligent reform can occur in this highly charged arena. I will do all I can to assist in ''clean'' passage of this legislation, without the burden of multiple amendments that will fracture the consensus that has developed.

S. 1100 simply requires that the designation of critical habitat for an endangered species occur, in the future, after the scientific work necessary to develop a comprehensive recovery plan for that species is completed. That sounds logical to my colleagues, I suspect, but the present Endangered Species Act provides for just the opposite: that is, it requires a designation of habitat before science has told us what a species needs to survive.

I have been asked what relationship exists between S. 1100 and the Rio Grande/silvery minnow situation. The answer will clearly depend on how the courts resolve this particular case. However, S. 1100 provides that designation of critical habitat should occur concurrently with the development of a recovery plan. That is a significant step forward, but only a first step. It will prevent the situation now found on the Rio Grande in the future.

A court has forced the Fish and Wildlife Service to prematurely designate critical habitat, a premature designation that everyone agrees could be counter-productive. Mr. President, you know that a full Environmental Impact Statement is required by law in the case of a ''major federal action.'' If any case cries out for a full EIS, it is the case of the silvery minnow. The potential impact of this federal action by the Fish and Wildlife Service, compelled by the court, could have consequences well beyond the normal definition of the word ''major.'' At stake is the water, literally the water used every second of every day by all users of the Rio Grande system. Unfortunately, even with legal precedent on the need for an EIS in habitat designations, the Fish and Wildlife Service chose not to do one.

Some try to portray this particular case as one dividing farmers and ranchers from the more extreme environmentalists in our state, a situation described quite accurately and colorfully by Secretary Babbitt earlier this year as ''intransigence.'' Yet, this issue is much broader than that kind of confrontation: hundreds of thousands of users, people who depend upon the Rio Grande for their water in their taps at home, residents of Santa Fe and Albuquerque, and the communities in between, could find their water endangered.

In light of this potential, I believe that a full-scale Environmental Impact Statement must be done on the silvery minnow issue. It is only after we know the impact that critical habitat designation may have on all users, and its relationship to saving the species, that we can intelligently move forward.

A BUDGET SURPLUS TO REFORM AMERICA'S PUBLIC SCHOOLS

Mr. KERRY. Mr. President, I want to spend a few moments today to talk about one of the great questions to which I believe the Senate has yet to take a stand. That is the question of reform of our public school system. And Mr. President, I would suggest that today the responsibility to be creative, to be resourceful, and to empower our schools resides right here in the United States Senate.

I am grateful that President Clinton has recently taken a position a number of us have advocated in this age of budget surpluses. Now it's time for all of us to acknowledge that some proportion of these projected budget surpluses should be set aside for education reform—set aside in a lockbox. And, Mr. President, I would suggest that we should all be able to agree that any budget we conclude this year—if it is a budget that reflects the American people's most urgent need—must include more funding for school reform.

Let's be honest—as a society, there is no decision of greater importance to the long term health, stability, and competitiveness of this nation than the

way we decide to educate our children. We look to public schools today to educate our children to lead in an information age and a global economy where borders have vanished—and the wealth of nations will be determined by the wisdom of their workers—by their level of training, the depth of their knowledge, and their ability to compete with workers around the world.

Mr. President, two hundred years ago Thomas Jefferson told us that our public schools would be ''the pillars of the republic''—he was right then, he is right now—but today there is a caveat: those public schools must also be—more than ever—the pillars of our economy and the pillars of our communities.

And I would respectfully suggest to you that there has not been a more urgent time than the present to reevaluate the way America's greatest democratic experiment is working—the experiment of our nation's public schools.

Those pillars of the republic have never before had to support so heavy a burden as they do today. In our world of telecommuting; the Internet; hundreds and soon thousands of television channels; sixty, seventy and eighty hour work weeks—there are fewer and fewer places where Americans come together in person to share in that common civic culture, fewer ways in which we unite as citizens. And more reasons, I believe, why this nation must have a great public school system.

And what can we say of the system before us today? I think we must say that—although there are thousands of public schools in this country doing a magnificent job of educating our children to a world class level—too many of our schools are struggling and too many kids are being left behind.

I believe we have a responsibility to be the true friends of public education—and the best friends are critical friends, and it is time that we seek the truth and offer our help to a system that is not doing enough for a large proportion of the 50 million children in our public schools today—children whose reading scores show that of 2.6 million graduating high school students, one-third are below basic reading level, one-third are at basic, only one-third are proficient and only 100,000 are at a world class reading level; children who edge out only South Africa and Cyprus on international tests in science and math, with 29 percent of all college freshmen requiring remedial classes in basic skills.

This year we have already passed the Ed-Flex Bill, a step forward in giving our schools the flexibility and the accountability they need to enact reform, making it a matter of law that we won't tie their hands with red tape when Governors and Mayors and local school districts are doing all they can to educate our kids, but also emphasizing that with added flexibility comes a responsibility to raise student achievement.

But EdFlex was just one step to balance accountability and flexibility—to continue the process of real education reform—and that is why my colleague, the Senator from Oregon, GORDON SMITH, and I have come together, in a bipartisan way—through the Kerry-Smith approach to education reform we've introduced with TED KENNEDY, MAX CLELAND, EVAN BAYH, JOHN EDWARDS, CARL LEVIN, PATTY MURRAY, RICHARD BRYAN, as well as JOHN CHAFEE, SUSAN COLLINS and OLYMPIA SNOWE from Maine. Ours is an approach which will make a difference in our schools and which can bring together leaders from across the political spectrum around good ideas which unite us.

For too long in this country the education debate has been stuck both nationally and locally. Leaders have been unable or unwilling to answer the challenge, trapped in a debate that is little more than an echo of old and irrelevant positions with promising solutions stymied by ideology and interest groups—both on the right and on the left.

Nowhere more than in the venerable United States Senate, where we pride ourselves on our ability to work together across partisan lines, have we—in so many debates—been stuck in a place where Democrats and Republicans seem to talk past each other. Democrats are perceived to be always ready to throw money at the problem but never for sufficient accountability or creativity; Republicans are perceived as always ready to give a voucher to go somewhere else but rarely supportive of investing sufficient resources to make the public schools work.

Well, I think it is in this Congress, this year, that we can finally disengage ourselves from the political combat, and acknowledge that with so much on the line, such high stakes in our schools, you can't just talk past each other and call it reform.

We all need to do our part to find a new answer, and Mr. President I would respectfully suggest that in the bipartisan support you see for this approach, there is a different road we can meet on to make it happen.

Together we are introducing the kind of comprehensive education reform legislation that I believe will provide us a chance to come together not as Democrats and Republicans, but as the true friends of parents, children, teachers, and principals—to come together as citizens—and help our schools reclaim the promise of public education in this country. We need to ask one question: ''What provides our children with the best education?'' And whether the answer is conservative, liberal or simply practical, we need to commit ourselves to that course.

Our bill is built on the notion of providing grants for schools with real accountability to pursue comprehensive reform and adopt the proven best practices of any other school—Voluntary State Reform Incentive Grants so school districts that choose to finance and implement comprehensive reform based on proven high-performance models can bring forth change. We will target investments at school districts with high numbers of at-risk students and leverage local dollars through matching grants. This component of the legislation will give schools the chance to quickly and easily put in place the best of what works in any other school—private, parochial or public—with decentralized control, site-based management, parental engagement, and high levels of volunteerism—while at the same time meeting high standards of student achievement and public accountability. I believe public schools need to have the chance to make changes not tomorrow, not five years from now, not after another study—but now—today.

So if schools will embrace this new framework—every school adopting the best practices of high achieving schools, building accountability into the system—what then are the key ingredients of excellence that every school needs to succeed?

Well, I think we can start by guaranteeing that every one of our nation's 80,000 principals have the capacity to lead—the talents and the know-how to do the job; effective leadership skills; the vision to create an effective team—to recruit, hire, and transfer teachers and engage parents. Without those abilities, the title of principal and the freedom to lead means little. We are proposing an ''Excellent Principals Challenge Grant'' which would provide funds to local school districts to train principals in sound management skills and effective classroom practices. This bill helps our schools make being a principal the great calling of our time.

But as we set our sights on recruiting a new generation of effective principals, we must acknowledge what today's best principals know: principals can only produce results as good as the teachers with whom they must work. To get the best results, we need the best teachers. And we must act immediately to guarantee that we get the best as the United States hires 2 million new teachers in the next ten years, 60% of them in the next five years. In the Kerry-Smith Bill we will empower our states and school districts to find new ways to hire and train outstanding teachers: through a focus on teacher quality and training—in Title V of this bill—we can use financial incentives to attract a larger group of qualified people into the teaching profession and we can provide real ongoing education and continued training for our nation's teachers.

This legislation will allow states to reconfigure their certification policies

and their teaching standards to address the reality that our standards for teachers are not high enough—and at the same time, they are too rigid in setting out irrelevant requirements that don't make teaching better; they make it harder for some who choose to teach. We know we need to streamline teacher certification rules in this country to recruit the best college graduates to teach in the United States. Today we hire almost exclusively education majors to teach, and liberal arts graduates are only welcomed in our country's top private schools. Our legislation will allow states to rewrite the rules so principals have a far greater flexibility to hire liberal arts graduates as teachers, graduates who can meet high standards; while at the same time allowing hundreds of thousands more teachers to achieve a more broad based meaningful certification—the National Board for Professional Teaching Standards certification with its rigorous test of subject matter knowledge and teaching ability.

This legislation will build a new teacher recruitment system for our public schools—providing college scholarships for our highest achieving high school graduates if they agree to come back and teach in our public schools.

We will demand a great deal from our principals and our teachers—holding them accountable for student achievement—but Mr. President we also hope to build a new consensus in America that recognizes that you can't hold someone accountable if they don't have the tools to succeed.

Our bill helps to close the resource gap in public education: helping to eliminate the crime that turns too many hallways and classrooms into arenas of violence by giving school districts incentives to write discipline codes and create ''Second Chance'' schools with a range of alternatives for chronically disruptive and violent students—everything from short-term in-school crisis centers, to medium duration in-school suspension rooms, to high quality off-campus alternatives, providing the resources that can, in tandem with values and character education, prevent senseless tragedy before it happens; the resources to help every child come to school ready to learn by funding successful, local early childhood development efforts; and making schools the hubs of our communities once more by providing support for after school programs where students receive tutoring, mentoring, and values-based education—the kind of programs that are open to entire communities, making public schools truly public.

And our legislation will help us bring a new kind accountability to public education by injecting choice and competition into a public school system badly in need of both. We are not a country that believes in monopolies. We are a country that believes competition raises quality. And we ought to merge the best of those ideas by ending a system that restricts each child to an administrator's choice and not a parent's choice where possible. It is time we adopt a competitive system of public school choice with grants awarded to schools that meet parents' test of quality and assistance to schools that must catch up rapidly. That is why our bill creates an incentive for schools all across the nation to adopt public school choice to the extent logistically feasible.

We are not just asking Democrats and Republicans to meet in a compromise, a grand bargain to reform public education. We are offering legislation that helps us do it, that forces not just a debate, but a vote—yes or no, up or down, change or more of the same. Together we can embrace new rights and responsibilities on both sides of the ideological divide and admit that the answer to the crisis of public education is not found in one concept alone—in private school vouchers or bricks and mortar alone. We can find answers for our children by breaking with the instinct for the symbolic, and especially the notion that a speech here and there will make education better in this country. It can't and it won't. But our hard work together in the coming year—Democrats and Republicans together—can make a difference. Education reform can work in a bi-partisan way. There is no shortage of good ideas or leadership here in the Senate—the experience of GORDON SMITH who spent years in the Oregon legislature working to balance resources and accountability to raise the quality of public education; with tireless leadership from former Governors like EVAN BAYH and JOHN CHAFEE; bipartisan creativity from PATTY MURRAY and OLYMPIA SNOWE; and the leadership and passion, of course, of the senior Senator from my state, Senator KENNEDY, who has led the fight on education in this Senate, and who has provided this body with over 30 years of unrivaled leadership and support for education.

We look forward to working with all of our colleagues this year to pass this legislation, in this important year as we undergo the process of reauthorizing the Elementary and Secondary Education Act, to find common ground in ideas that we can all support—bold legislation that sends the message to parents and children struggling to find schools that work, and to teachers and principals struggling in schools simultaneously bloated with bureaucracy and starved for resources—to prove to them not just that we hear their cries for help, but that we will respond not with sound bites and salvos, but with real answers. And Mr. President, I would suggest that in this time when the United States, the richest nation on the face of the earth, leading a global economy, pushing our stock market well over 10,000, with budget surpluses we all herald at every turn, I would suggest that at this time we need to make the commitment—together, Democrats and Republicans—to give every school the chance to give every child in our country a world class education. That is an investment we can not afford to pass up—and Mr. President this is the time to do it. I look forward to working with all colleagues, Mr. President, in fashioning a budget that takes serious the American people's call for real and comprehensive education reform.

WELFARE REFORM

Mr. WELLSTONE. Mr. President, I rise today because I am concerned that there is a growing national crisis in America. Although we do not know its exact dimensions, the early evidence is extremely troubling.

Nearly three years ago, against my objections, Congress passed and President Clinton signed the welfare reform law. The stated purpose of the law was to move people off welfare and toward economic self-sufficiency.

By now, we all know that the welfare caseloads have dramatically declined. The welfare caseloads are at their lowest point in nearly 30 years. Since welfare reform became law, 1.6 million families have left the welfare rolls. Approximately 4.6 million are no longer receiving cash assistance. Clearly, the law has been successful at moving people off welfare. On this basis, nearly everyone is jumping at the opportunity to proclaim welfare reform as a ''success.'' But, Mr. President, I have my doubts. How can we call welfare reform a success without knowing what has happened to these people after leaving welfare? How can we call it a success without knowing how people are doing? Mr. President, declining caseloads do not answer the fundamentally important questions. They don't tell us if families are moving toward economic self-sufficiency. They don't tell us if people have been able to escape poverty. They don't tell us if mothers have been able to find work. They don't tell us if children have food and are covered by health insurance.

Mr President to be honest, the declining welfare caseloads tell us very little. We should not be trumpeting the success of welfare reform before we know about the living conditions of the people who have been moved off welfare. And right now, no one seems to know. Over and over again I have asked my colleagues if they know of any research demonstrating that the decrease in the number of families receiving assistance means that people are escaping poverty, but no one has produced such a study. No one!

My fear is that these people are simply disappearing.

Mr. President, we've got a similar problem with the recent reports about Food Stamps. Lately we've been hearing a lot about the plunge in Food Stamp participation. Over the last four years the number of people using food stamps dropped by almost one-third, from 28 million to 19 million people.

Some want to interpret this decline as an indication of diminished need. But, just like the decline in welfare rolls, there are important questions that are left unanswered. I hope that the drop means that fewer people are going hungry. But, I have my doubts.

If people are no longer needy, then how can we account for the fact that 78 percent of cities surveyed by the United States Conference of Mayors for its Report on Hunger reported increases in requests for emergency food in 1998?

If people are no longer needy, then how can we explain why Catholic Charities USA reported early this year that 73 percent of dioceses had increases of as much as 145 percent in requests for emergency food assistance compared to a year before.

Mr. President, how can we account for these findings without questioning whether the reformers' claims of success are premature?

What is going on here? A story from the New York Times suggests one troubling explanation:

''[One welfare recipient was told] incorrectly . . . that she could not get food stamps without welfare. So, though she is scraping by raising a family of five children and sometimes goes hungry, she has not applied [for food stamps]. . . . 'They referred me to the food pantry,' she said. 'They don't tell you what you really need to know. They tell you what they want you to know.'' (4/17/99).

Mr. President, I am here today to propose an amendment. It is an amendment that I hope will receive widespread support. It is simple and straightforward. It will help us find out how people who have left welfare are doing. It will provide us with the information we need in order to properly evaluate the success or failure of welfare reform.

Mr. President, the 1996 welfare law sets aside $1 billion for ''high-performance'' bonuses. Currently, the money is awarded to states using a formula that takes into account state effectiveness in increasing employment among TANF recipients. My amendment would add three more criteria:

Food stamp participation among poor children,

The proportion of families leaving TANF who are covered by Medicaid or child health insurance, and

The number of children in working poor families who receive some form subsidized child care.

In other words, states would have to provide this information in addition to the job entry, job retention, and earnings data they already must provide in their high-performance bonus applications.

Mr. President, some of my colleagues might suggest that these additional requirements will be too difficult for the states to meet. I will address this issue in detail in a little while. Right now, let me just reassure everyone that no state will be required to conduct any new surveys. In fact, no state will have to collect any new data. All that my amendment will require is that states report data they already have.

Mr. President, as I have already suggested, I am here today because of my deep concern for the millions of Americans who struggle each day to get by. These are the people who worry about:

How to keep a roof over their families' heads, How to get food in their children's stomachs, How to earn a wage that pays their bills, and How to obtain medical help when they are sick.

I am especially concerned about our nation's children who all too often are the innocent victims of poverty.

Mr. President, we live in the richest country in the world. We live in a country that has experienced what many call ''an unprecedented period of prosperity.'' But Mr. President, this prosperity has not extended to all families and their children. While our country is supposedly doing so well, we've got about 14 million—That's one in five—children who live in poverty. And, 6.5 million children live in extreme poverty. Their family income is less than one-half the poverty line.

This poverty has profoundly terrible consequences on the lives of these children. On the basis of research, we now know that poverty is a greater risk to children's overall health status than living in a single parent family. A baby born poor is less likely to be alive to celebrate its first birthday than a baby born to an unwed mother, a high school dropout, or a mother who smoked during pregnancy.

Mr. President, poor children must walk a gauntlet of troubles, that begin even before they are born and often last a lifetime. Not only are poor children more likely to die during childhood, they are:

More likely to have low birth weights and be born premature; More likely to be deaf; More likely to be blind; More likely to have serious physical or mental disabilities, and More likely to suffer from stunted growth.

Mr. President, I am worried that welfare reform is making these problems worse. I think that we really need to pay attention to the quality of people's lives not just to the numbers of people on assistance.

Mr. President, the purpose of my amendment is to help us to understand at a national level what is happening in our country in the wake of welfare reform. I've spent a lot of time trying to figure this out and have come to the conclusion that what we currently know is not sufficient. I am not alone in this belief. One of the organizations I work is called NETWORK. It's a National Catholic Social Justice lobby. The people at NETWORK wrote the following in their recent report on welfare reform:

> Even though government officials are quick to point out that national welfare caseloads are at their lowest point in 30 years, they are unable to tell us for the most part what is happening to people after they leave the welfare rolls—and what is happening to people living in poverty who never received assistance in the first place.

Mr. President, although we lack a national portrait, some of the research I read about what is going on in the states deeply concerns me.

For example: In Alabama, a professor found that intake workers gave public assistance applications to only 6 out of 27 undergraduate students who requested them, despite state policy that says that anyone who asks for an application should get one.

In Arizona, after holding fairly steady from 1990 to 1993, the number of meals distributed through Arizona's statewide food-charity network has since risen 50 percent.

In California, tens of thousands of welfare beneficiaries are dropped each month as punishment. In total, half of those leaving welfare are doing so because they did not follow the rules.

In Florida, more than 15,000 families left welfare during a typical month last year. About 3,600 reported finding work, but nearly 4,200 left because they were punished. The state doesn't know what happened to almost 7,500 others.

In Georgia, nearly half of the homeless families interviewed in shelters and other homeless facilities had lost TANF benefits in the previous 12 months.

In Iowa, 47 percent of those who left welfare did so because they did not comply with requirements such as going to job interviews or providing paperwork. And in Iowa's PROMISE JOBS experiment, the majority of families punished for failure to meet welfare-to-work requirements told researchers that they didn't understand those requirements.

In my own State of Minnesota, care managers found that penalized families were twice as likely to have serious mental health problems, three times as likely to have low intellectual ability, and five times more likely to have family violence problems when compared with other recipients.

In the Mississippi Delta, workfare recipients gather at 4 a.m. to travel by bus for two hours to their assigned work places, work their full days, and then return—another two hours—home each night. It is no surprise, therefore, that they are having trouble finding child care during these nontraditional hours, and for such extended days.

In New York, a September 1998 survey found that 71 percent of former recipients who last received TANF in March 1997 did not have any employer-reported earnings.

In a rural Appalachian community in Ohio, there is a lack of jobs at decent wages that has resulted in dramatic increases in requests for food. The Congressional Hunger Center tells us that, ''As people are being moved off of the rolls in rural areas, there is very little support structure to help them become self-sufficient—government programs are unavailable due to time limits, there is little private industry in the area, and neighbors struggle to get by on their own.''

And then there is the so-called success story in Wisconsin. Only one in four families that permanently leave welfare have incomes above the poverty line. The typical recipient actually lost income during the year after leaving welfare. Only one in three of those who left welfare increased their economic resources. In La Crosse, Wisconsin, the number of children sleeping in Salvation Army homeless shelters shot up by 50 percent between 1994 and 1996. In contrast, the number of homeless men—a group that is largely unaffected by welfare changes—rose by only one percent during the same period. And, a recently released study by the Institute for Wisconsin's Future says that the number of families in extreme poverty jumped from about 1,700 in 1989 to 11,200 in 1997.

Mr. President, clearly we need to be careful about pronouncing welfare reform a ''success'' simply because the caseloads are down. People are continuing to suffer and struggle to meet their basic needs.

Mr. President, I have already discussed the dramatic decline in welfare caseloads. Let me remind everyone that the caseload decline has not been matched by a similar decline in poverty indicators.

I think we need to know, on a national level, what's going on. The research we do have suggests that moving people off of welfare is not having the intended effect of putting them on the road to economic self-sufficiency.

The NETWORK study reports that people continue to experience severe hardship. For example:

Nearly half of the respondents report that their health is only ''fair'' or ''poor.'' 43% eat fewer meals or less food per meal due to cost. 52% of soup kitchen patrons are unable to provide sufficient food for their children. Even the working poor are suffering as 41% of those with jobs experienced hunger.

Mr. President, NETWORK is not the only group out there trying to find out what is going on. In another study, seven local agencies and community welfare monitoring coalitions in six states compared people currently receiving welfare to those who stopped getting welfare in the last six months.

The data show that people who stopped getting welfare were:

Less likely to get food stamps; Less likely to get Medicaid; More likely to go without food for a day or more; More likely to move because they couldn't pay rent; More likely to have a child who lived away or was in foster care; More likely to have difficulty paying for and getting child care, and; More likely to say ''my life is worse'' compared to six months ago.

The National Conference of State Legislatures' analyzed 14 state studies with good information about families leaving welfare. It found:

> Most of the jobs [that former recipients get] pay between $5.50 and $7 an hour, higher than minimum wage but not enough to raise a family out of poverty. So far, few families who leave welfare have been able to escape poverty.

And then there is the recent study by Families USA, which presents a very troubling set of findings. It reports:

> over two-thirds of a million low-income people—approximately 675,000—lost Medical coverage and became uninsured as of 1997 due to welfare reform. The majority (62 percent) of those who became uninsured due to welfare reform were children, and most of those children were, in all likelihood, still eligible for coverage under Medicaid. Moreover, the number of people who lose health coverage due to welfare reform is certain to grow rather substantially in the years ahead.

Mr. President, sometimes with all these numbers and studies we lose sight of the fact that they are based on the lives of real people—people who want the best for themselves and their children. But, we must not forget this reality.

Here is the story of one family that one of the Sisters in the NETWORK study workeed with:

> Martha and her seven year-old child, David, live in Chicago. She recently began working, but her 37-hour a week job pays only $6.00 an hour. In order to work, Martha must have childcare for David. Since he goes to school, she found a sitter who would receive him at 7 a.m. and take him to school. This sitter provided after school care as well. When Sister Joan sat down with Martha to talk about her finances, they discovered that her salary does not even cover the sitter's costs.

The Families USA Report tells us the following story:

> Terry (This is not her real name)
> had been on welfare for about two years when she got a job at McDonald's. Working 30 hours a week, Terry earned $600 a month. When she told her welfare caseworker about her new job, Terry and her 5-year-old son, James, were cut off of cash assistance and Medicaid. Her Food Stamps stopped, too, although she was promised they would continue. When Terry left welfare for work, no one told her that she was eligible for Transitional Medicaid. And her son James should have continued to receive Medicaid until Terry earned at least $1,200 a month—twice as much as she made at her job at McDonald's.

Mr. President, these three cases I just mentioned are about families where a parent is working. There is an even scarier situation—families that neither receive government assistance nor have a parent with a job. We don't know for certain how large this population is, but in the NETWORK study 79% of the people were unemployed and not receiving welfare benefits. Of course this study was focused on the hardest hit and therefore overestimates the overall percentage of former recipients who are unemployed. But, it still represents a 50% increase over the level it found before welfare reform.

How are these families surviving? Mr. President, I am deeply concerned and worried about them. They are no longer receiving aid and they don't have jobs. They are literally falling through the cracks and disappearing. I call these families, which are composed primarily of women and their children, The Disappeared Americans.

We must find out what is going on. That is why this amendment is so important. It will provide us with valuable information we need in order to be responsible policymakers.

Mr. President, this is not the first time I have come to the floor of the US Senate to offer an amendment designed to find out what is happening to poor people in this country. Last month I offered a similar amendment and it lost by one vote. Although 50 Senators voted against it, not one spoke in opposition. Not a single Senator rose to debate me on the merits of the measure. At that time, I promised and I would return to the Senate floor with the amendment, and today I am fulfilling my promise.

Since I first offered the amendment, we have received some valuable input about the best way to gather the kind of data we need to understand on a national level what is going on. In the original amendment, states would have been required to conduct new studies to track all former TANF recipients. In the version of the amendment I offer today, states can simply rely on administrative data that they already collect. For example, in order to provide Medicaid and child health insurance data, states would just have to do a match between their TANF and Medicaid/CHIP computer systems. And, if states choose not to apply for the TANF bonus money, they would only need to provide data on a valid sample of former recipients, not the entire population.

In other words, Mr. President, we have reworked the amendment to make it significantly less burdensome of the Secretary of HHS and the states. Frankly, with these changes, I don't see a reason why anyone would vote against this amendment. If there is going to be opposition, I expect that we will have a debate. Let's identify our differences and debate them.

Mr. President, let me wrap things up by reminding us all that it is our duty

and our responsibility to make sure that the policies we enact for the good of the people actually are doing good for them. Evaluation is one of the key ingredients in good policy making and it does not take a degree in political science to realize what anyone with common sense already knows: When you try something new, you need to find out how it works.

As policy makers—regardless of our ideology or intuitions—it is our role to ensure that the programs we enact to provide for American families' well-being are effective and produce the outcomes we intend.

We need to know what is happening with the families who are affected by welfare reform. We need to know whether reform is, in fact, effectively helping low income mothers and their children build a path to escape poverty and move toward economic self-sufficiency.

As I have already explained, the data we do have does not provide us with all the information we need. We need to go beyond simply assuming that welfare and food stamp declines are ''good'' news.

The Swedish sociologist Gunnar Myrdal once said, ''Ignorance is never random.'' Sometimes we choose not to know what we do not want to know. In the case of welfare reform, we must have the courage to find out.

PLIGHT OF THE DOMESTIC OIL AND GAS INDUSTRY

Mr. DOMENICI. Mr. President, the Wall Street Journal yesterday wrote:

> What is not in dispute is how hard a hit small domestic oil took during the recent downturn in oil prices. While larger oil companies with their huge asset bases and integrated businesses were able to weather the storm, many of the smaller producers, which operate on low margins and minuscule volumes, lurched toward ruin.
>
> These small producers, who mop up the tailings of the country's once-great oil fields primarily in the West and the Mid-west collectively produce about 1.4 million barrels of oil daily, an amount roughly equivalent to that imported to Saudi Arabia. And the total number of such subsistence wells, defined by the Interstate Oil and Gas Compact Commission as ones producing 10 barrels of crude a day or less were abandoned at an accelerated rate during the downturn, experts say.

The Wall Street Journal is not the only entity noticing the plight of the domestic independent oil and gas industry. DOE recently wrote: ''Domestic crude oil producers have seen the price of their product (adjusted for inflation) fall to levels not seen since the 1930's.''

Independent oil and gas producers have wells in 32 States. Senators from these producing States have heard from the producers, oil and gas service small businesses, Governors, mayors and county commissioners. The situation was so bad in Oklahoma that the Governor held a special session of the legislature. In New Mexico, we have oil and gas producers organizing marches and rallies calling attention to their crisis. When the oil and gas industry suffers a cash flow problem and credit crunch, so do Federal, State and local governments. The recent oil and gas crisis has cost States and localities $2.1 billion in lost royalties alone. One community had to chose between keeping the hospital or the school open. Oil tax revenues were, not sufficient to keep both operating.

The number of oil and gas rigs operating in the United States is at the lowest count since 1944, when records of this tally began. The industry is predicting that the U.S. will loss an additional million barrels a day of domestic production as a result of the last price collapse. This production shrinkage will be felt in the marketplace in 12 to 18 months.

Beginning in November 1997, the oil and gas exploration and development industry began experiencing the lowest inflation-adjusted oil prices in history.

Recent Independent Petroleum Association of America (IPAA) statistics speak for themselves:

- 55,000 jobs lost out of an estimated 338,600 total industry jobs.
- Additional 68,000 oil and natural gas jobs (20 percent) are at risk of being lost.
- 136,000 oil wells (25 percent of total U.S.) and 57,000 natural gas wells shut down.

Every barrel of domestic that we lose will have to be replaced with barrel of foreign produced oil and our dependence on foreign oil is already too high—in excess of 57 percent and trending higher.

The industry we are trying to help includes royalty owners in all 50 States. Many of these royalty owners are retired and depend on their oil royalty checks to pay for their daily expenses. When the price of oil dipped to $10 a barrel several months ago, these royalty owners saw their royalty checks drop by half.

At $18 to $19 a barrel our independent producers barely break even. At $14 a barrel they lose $10.30 a day per well or $3,752 a year per well.

The oil and gas industry is a very capital intensive industry on the front end—exploring and drilling wells and also on the back end—shutting in wells or going out of business. The drilling costs for a well range from $600,000 to $15 million for an off-shore deep water well. Getting out of the business is capital intensive industry, too. On average it costs $5,000 to $10,000 a well to decommission a well.

It is an industry dependent on banks and credit. The independents get about 40 percent of their capital from financial institutions. The price of oil has just recently improved, but the bankers have been reluctant to restructure loans or to make new loans.

Capital budgets to develop new production and replace depleting existing production have been cut dramatically. Most independents are not drilling new wells. The industry has a viable future but they have to get through this current credit crunch, and they need loan restructuring to keep them going until they can recover from the big price drop of 1997 through mid-1999.

This is why I joined with Senator BYRD to propose an emergency loan program for oil, gas and steel—two important core industries. I am hopeful that the House will quickly name conferees and move the bill through the legislative process. Domestic oil and gas production is America's true national strategic petroleum reserve and we need to make sure there is an industry in the U.S. capable of meeting our strategic oil and gas needs.

I ask unanimous consent that an article that appeared in the June 30, 1999, Wall Street Journal be printed in the RECORD.

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

[From the Wall Street Journal, June 30, 1999]

OIL PRODUCERS FILE ANTIDUMPING SUIT

GROUP OF INDEPENDENT FIRMS SAYS FOUR COUNTRIES SOLD AT CHEAP PRICES IN U.S.

(By Helene Cooper and Christopher Cooper)

WASHINGTON—Thirty years ago, after a two-day debate over the difference between material injury and immaterial injury in America's dense antidumping laws, Sen. Russell Long issued a commentary still bandied about in international trade corridors today. The antidumping debate, he said, ''sounds more like the difference between mumbo-jumbo and jumbo-mumbo.''

Yesterday, that jumbo-mumbo erupted into a case that could smack consumers right in the wallets—and just before an election year, no less. A group of independent oil producers has filed an antidumping suit with the Commerce Department and the International Trade Commission. The oil companies—representing an industry that 20 years ago was a cartel that kept prices high—say four countries ''dumped'' cheap oil on the U.S. market in 1998 and 1999.

The group, called Save Domestic Oil Inc., wants the Clinton administration to impose dumping duties on oil from the four alleged offenders—Mexico, Venezuela, Saudi Arabia and Iraq—which together account for more than half of the oil imported into the U.S. The duties requested range from 33.37% (Mexico) to 177.52% (Venezuela). Many of the bigger U.S. oil companies, which import much of their oil, oppose the complaint.

In Washington, where politicians are still reeling from the steel industry's recent attempt to limit steel imports, the case is bound to be politically explosive. ''This oil thing could kill us,'' says one Clinton administration official. Indeed, if the oilmen win—and in the world of U.S. antidumping statutes, he who complains usually wins—the Clinton administration could well find itself blamed for increased prices at the pump.

Energy Secretary Bill Richardson called the complaint a ''serious charge, with potentially serious consequences.'' He added that the administration should seek to ''bring all the parties together to see whether there is a way to resolve the concerns raised by this petition.''

Many economists and trade lawyers who dislike the U.S. antidumping law say it's

crazy to file an oil antidumping complaint because oil is a commodity regulated by world markets; as a commodity, oil's properties tend to be consistent, so the markets set a standard price. But Danny Briggs, proprietor of tiny Pickrell Oil Co. in northwest Kansas and a member of Save Domestic Oil's executive committee, says he's tired of watching cheap oil from abroad drive down the prices here. ''We tried everything we could think of'' before turning to the trade action, Mr. Briggs says. ''It's been used by the apple growers and the steel manufacturers—why not the oil producers?''

Although most of the plaintiffs, advancing the trade complaint are small oil producers—strippers, as they're known in the business—one exception is Houston's Apache Corp., one of the nation's largest independent oil companies. Raymond Plank, Apache's chief executive, said he personally put up $10,000 and his company anted up another $10,000 to help pay the costs of the trade complaint, which is ultimately expected to cost the plaintiffs $1.5 million in legal fees.

They hired Charles Verrill, a powerful Washington trade lawyer who, for 30 years, has represented U.S. businesses, including steelmakers, that complain about unfairly low prices from foreign competition. In this oil case, he says, ''imports have increased significantly while prices have declined,'' noting that the price per barrel plunged to close to $10 earlier this year before rebounding in the second quarter.

Economists opposed to the antidumping law said they want the oilmen to lose, but they relish the thought of a win embarrassing politicians into changing the law, which they see as protectionist and biased, ''If this case succeeds, it may actually help put antidumping reform on the international trade agenda, where it should have been all along,'' says Robert Litan, an economist at the Brookings Institution and co-author of ''Down In The Dumps,'' a book about antidumping law.

''Any economist who knows this subject will tell you these laws are ridiculous,'' Mr. Litan says. ''They punish foreigners for selling below cost, activities which American companies do all the time in their domestic markets.''

U.S. lawmakers, prodded by companies that wanted to protect their domestic sales from competition from cheap foreign imports, devised and refined the antidumping law as one weapon in the home-team arsenal. The rationale behind the law was simple: Hit the foreign countries with stiff duties to stop them from flooding the U.S. market with cheap goods and sending the U.S. companies out of business.

The wildcatters complain that Mexico, Venezuela and Iraq have been selling their oil in the U.S. at below the cost of production—the most widely accepted definition of dumping. Saudi Arabia, they complain, sold oil in Japan at higher prices than the oil it sold in the U.S.

Most trade lawyers say the oilmen have a good shot at victory. That's because U.S. antidumping law—conceived in the 1920s—has been refined by successive lawmakers to heavily favor the plaintiff. Indeed, in more than 90% of the cases filed, the Commerce Department finds in favor of the plaintiff.

The case will work its way through the Commerce Department and the International Trade Commission. The Commerce Department has as many as 20 days to decide whether to initiate an investigation. If the investigation goes forward, the department has 190 days to determine if dumping occurred. The ITC then determines whether ''material injury'' to the oilmen occurred. Duties, if warranted, would follow.

The four countries deny the allegations and say they will fight them. Roberto Mandini, president of Venezuelan state-oil monopoly Petroleos De Venezuela SA, says that ''pushing down oil prices would be suicidal for Venezeuela.'' Adds Luis de la Calle, Mexico's undersecretary for international trade negotiations: ''Mexico is not in the practice of unfair commercial practices.''

What is not in dispute is how hard a hit small domestic oil took during the recent downturn in oil prices. While larger oil companies with their huge asset bases and integrated businesses were able to weather the storm, many of the smaller producers, which operate on low margins and miniscule volumes, lurched toward ruin.

These small producers, who mop up the tailings of the country's once-great oil fields primarily in the West and the Mid-west collectively produce about 1.4 million barrels of oil daily, an amount roughly equivalent to that imported to Saudi Arabia. And the total number of such subsistence wells, defined by the Interstate Oil and Gas Compact Commission as ones producing 10 barrels of crude a day or less, were abandoned at an accelerated rate during the downturn, experts say.

EFFECTIVE EXPORT CONTROLS

Mr. AKAKA. Mr. President, I wish to call attention to an important Governmental Affairs Committee hearing on export controls held last week.

In August 1998, the Chairman of the Governmental Affairs Committee requested the Inspectors General of the Departments of Commerce, Defense, Energy, State, and Treasury and the Central Intelligence Agency to conduct a review of their export license processes and to follow-up on an earlier set of reports that were done in 1993.

In their reports and at the hearing, the Inspectors General raised a number of important issues which, I believe, will require further oversight and clarification. These issues are especially important in light of the recent Cox Committee Report which highlighted espionage activities at our National Laboratories and the release of classified nuclear information. As we begin to debate the reauthorization of the Export Administration Act, the recommendations made by the Inspectors General should be considered in this context.

The Inspectors General concluded that the export control processes work relatively well, but they also highlighted additional issues that the Congress should continue to monitor. Certain of these issues include:

Inadequate monitoring by our National Laboratories of foreign visitors, who may be exposed to controlled technology which may require an export license.

Inadequate analysis by all of the agencies of the cumulative effect of dual-use and munitions list exports to a particular country or end-user.

Need to upgrade certain computer systems used in the export process.

Improve monitoring of conditions placed on licenses to ensure that sophisticated items are not diverted.

Enhance the processes for pre-license checks and post-shipment verifications of certain exports.

Enhance training and guidance of Licensing Officers.

I look forward to the Governmental Affairs Committee holding further hearings on this subject. We must ensure that the United States maintains an efficient and effective export control system. Further, our additional oversight on this issue will help ensure that exports of dual-use and munitions items will not go to rogue nations or individuals.

Our hearing last week raised important national security and proliferation issues, and I commend Senator THOMPSON and Senator LIEBERMAN, the ranking member of the Governmental Affairs Committee, for their leadership.

CBO COST ESTIMATE OF S. 1287

Mr. MURKOWSKI. Mr. President, in compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources has obtained a letter from the Congressional Budget Office containing an estimate of the costs of S. 1287, the Nuclear Waste Policy Amendments Act of 1999, as reported from the Committee. In addition, pursuant to Public Law 104–4, the letter contains the opinion of the Congressional Budget Office regarding whether the S. 1287 contains intergovernmental mandates as defined in that Act. I ask unanimous consent that the opinion of the Congressional Budget Office be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 14, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for the Nuclear Waste Policy Amendments Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Kim Cawley (for federal costs), who can be reached at 226–2860, and Marjorie Miller (for state and local impact), who can be reached at 225–3220.

Sincerely,

DAN L. CRIPPEN.

Enclosure.

Summary: This bill would amend the Nuclear Waste Policy Act by directing the Department of Energy (DOE) to make a final decision by December 31, 2001, whether to recommend to the President that the Yucca Mountain site in Nevada be developed as a permanent waste repository. The bill would, under certain conditions, provide for storage of waste at Yucca Mountain before a permanent repository is completed, and would

allow DOE to enter into agreements with nuclear utilities to assume responsibility for some waste at a utility's current storage site. In addition, the bill would authorize training programs and grants to states to prepare for transshipment of nuclear waste, and it would authorize the establishment of an Office of Spent Fuel Research in DOE.

Assuming appropriation of the necessary amounts, CBO estimates that implementing this legislation would cost about $1.9 billion over the 2000–2004 period to continue DOE's efforts to characterize the Yucca Mountain site and submit a license application to the Nuclear Regulatory Commission (NRC). Enacting this bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

The state of Nevada and localities in the state would incur some additional costs as a result of this bill, but CBO is unsure whether the provisions causing those costs would be considered intergovernmental mandates, as defined in the Unfunded Mandates Reform Act (UMRA). We estimate that the costs incurred by state and local governments would total significantly less than the threshold established in the law ($50 million in 1996, adjusted annually for inflation). This bill contains no new private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of this bill is shown in the following table. The costs of this legislation fall within budget functions 270 and 050 (energy and defense).

[By fiscal year, in millions of dollars]

	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
Spending on Nuclear Waste Disposal Under Current Law:						
Budget Authority [1]	358	0	0	0	0	0
Estimated Outlays	324	55	0	0	0	0
Proposed Changes:						
Estimated Authorization Level	0	390	365	340	430	455
Estimated Outlays	0	312	370	345	412	450
Spending on Nuclear Waste Disposal Under the Bill:						
Estimated Authorization Level [1]	358	390	365	340	430	455
Estimated Outlays	324	367	370	345	412	450

[1] The 1999 level is the amount appropriated for that year.

Basis of estimate: This estimate is based on DOE's current plan for the nuclear waste program, issued in July 1998. For purposes of this estimate, CBO assumes the bill will be enacted before the end of fiscal year 1999. We assume DOE will apply to the NRC for authorization to build a permanent repository at the Yucca Mountain site by March 31, 2002, so that the NRC may decide whether to authorize construction by December 31, 2006, as directed by section 101 of this bill.

Yucca Mountain. This legislation would authorize DOE to proceed with its Civilian Radioactive Waste Management Program plan of July 1998. This plan calls for continuing to evaluate the Yucca Mountain site as a permanent repository for nuclear waste and applying for a construction license from the NRC in 2002, if the site appears to be viable for this use. Based on information from DOE, CBO estimates that this effort would require appropriations averaging nearly $400 million annually and totaling about $2 billion over the 2000–2004 period. Substantial additional costs would be incurred after 2004 to construct and operate a nuclear waste repository at Yucca Mountain if the NRC issues a license to the department. In its December 1998 report, Analysis of the Total System Life Cycle Cost of the Civilian Radioactive Waste Management Program, DOE estimates the future cost to complete the program is ''approximately $26.6 billion, in constant 1998 dollars from 1999 through closure and decommissioning, assumed to be in 2116.''

Backup storage. Section 102 would direct DOE to take title to any amounts of nuclear waste that the NRC determines cannot be stored at a utility's site, provided that such a utility would agree to waive any claim for damages against the United States because of DOE's failure to begin disposing of waste in 1998. DOE would be directed to transport this waste to the Yucca Mountain site following NRC authorization to construct a permanent repository there, or to transport it to a privately run facility for nuclear waste storage. DOE could incur additional discretionary costs for building waste storage capacity at the Yucca Mountain site before the facility opened or transporting waste to a private storage facility (if any private facilities are constructed), if any utilities require backup storage.

This cost estimate does not include any potential costs for backup storage, however, because it is not clear that there will be any demand for backup storage. Thus, there may not be a need for additional DOE spending over 2003–2006 period. In addition, it is uncertain whether or not the NRC will authorize construction of a repository at the Yucca Mountain site in 2006. This authorization would be required before backup storage could be provided since it appears unlikely that any privately owned waste storage facilities will be developed over the next few years. If DOE were required to prepare the Yucca Mountain site for backup storage, additional costs could be substantial. Based on information from DOE, we estimated such costs could approach $1 billion over the 2003–2006 period, subject to the availability of appropriated funds.

Settlement agreements. Section 105 would allow DOE to enter into settlement agreements with any utilities that were scheduled to have nuclear waste removed from their sites by DOE starting on January 31, 1998. If a utility waives any claim for damages against the United States because of DOE's failure to begin disposing of waste in 1998, then the department may take title to the utility's waste, provide waste storage casks to the utility, operate an existing dry cask storage facility for the utility, or compensate the utility for the cost of providing storage for this waste at the utility's site. The bill would restrict DOE from making expenditures from the Nuclear Waste Fund to pay for any settlement costs that would not otherwise be incurred under the existing contracts for nuclear waste disposal between DOE and nuclear utilities.

This estimate does not include any additional discretionary costs for settlement agreements that may be entered into between DOE and nuclear utilities as a result of enacting this bill. Under current law, and consistent with the standard contract for nuclear waste disposal between the department and the nuclear utilities, these parties may agree to reduce the annual nuclear waste fee (referred to as ''fee credits'') paid to the government by the utilities in the event of an avoidable delay in the schedule for disposing of waste. CBO has assumed that DOE and those utilities that have experienced an avoidable delay in the disposal of their waste will choose to invoke this provision of their contracts and that the mandatory nuclear waste fee will be reduced by a total of about $400 million over the 2000–2009 period to compensate these utilities for the incremental cost of continued waste storage at their sites of 10,000 metric tons of waste.

If nuclear utilities choose to enter into settlement agreements with DOE following enactment of this bill, it is possible that DOE would agree to provide compensation greater than or less than the amount CBO has assumed under current law. It is also possible that DOE would choose to use appropriated funds to provide compensation instead of fee credits as we have assumed. In this case, the discretionary costs of this legislation would be higher than we have estimated here, and nuclear waste fee collections would be greater than the amount we have estimated. CBO cannot predict whether or not utilities would choose to enter into settlement agreements under the terms defined in this bill, nor whether DOE would use fee credits or appropriated funds to implement any settlement agreements.

Pay-as-you-go considerations: None.

Estimated impact on state, local, and tribal governments: Mandates. CBO is unsure whether the bill contains intergovernmental mandates, as defined in UMRA, but we estimated that costs incurred by state, local, and tribal governments as a result of the bill would total significantly less than the threshold established in the law ($50 million in 1996, adjusted annually for inflation).

Although this bill would, by itself, establish no new enforceable duties on state, local, or tribal governments, shipments on nuclear waste for surface storage at the Yucca Mountain site, as authorized by the bill, probably would increase the cost to the state of Nevada of complying with existing federal requirements. CBO cannot determine whether these costs would be considered the direct costs of a mandate as defined by UMRA.

Additional spending by the state would support a number of activities, including emergency communications, emergency response planning and training, inspections, and escort of waste shipments. These costs are similar to those that the state would eventually incur under current law as a result of the permanent repository planned for Yucca Mountain. This bill would, however, authorize DOE to receive and store waste at Yucca Mountain once the NRC has authorized construction of a repository at that site and would set a deadline of December 31, 2006, for NRC to make that decision. This date is about three years earlier than DOE expects to begin receiving material at the site under current law.

Other impacts. This bill would authorize planning grants of at least $150,000 for each state and Indian tribe through whose jurisdiction radioactive waste would be transported and annual implementation grants for those states and tribes after they have completed their plans. Further, the bill would prohibit shipments through the jurisdiction of any state or tribe that has not received technical assistance and funds for at least three years.

Estimated impact on the private sector: This bill contains no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On May 4, 1999, CBO prepared a cost estimate for H.R. 45, the Nuclear Waste Policy Act of 1999, as ordered reported by the House Committee on Commerce on April 21, 1999. The provisions of the bill ordered reported by the Senate Committee on Energy and Natural Resources and H.R. 45 are different and the two cost estimates reflect those differences. In particular, H.R. 45 would authorize construction of an interim repository at the Yucca Mountain site, while the Senate bill does not contain any similar provision. In contrast to

H.R. 45, the Senate bill contains provisions relating to settlement agreements between DOE and nuclear utilities and to backup storage.

Estimate prepared by: Federal costs: Kim Cawley (226–2860); Impact on State, local, and tribal governments: Majorie Miller (225–3220).

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

ASIAN ECONOMIC AND SECURITY POLICY

Mr. BAUCUS. Mr. President, when we look at Asia these days, Americans' primary focus is on China and the many difficult challenges that we face in that relationship. Next on our list of what we are watching in the region is Japan where our economic and security relationship remains the linchpin of our presence in Asia. These days, however, Japan seems to get scant attention from either the public or the policymaking community. That is a mistake, but I will leave that issue to another day.

After Japan in our focus comes the Korean Peninsula where we are concerned particularly about North Korea and its nuclear weapons development, missile technology, military adventurism, possible economic collapse, and internal instability. As we continue down the list of important things to think about in Asia, we come to Indonesia and the future of economic and political reform and internal stability in that hugely important nation.

Some may differ with my analysis, but it appears to me that, right or wrong, these days, our nation is looking at Asia in this way.

Today, however, I would like to call the Senate's attention to two important developments in other countries in Asia, specifically Southeast Asia, that are not on this list. These developments have been reported in our media, but, generally, on the back pages. They should not be ignored, because they relate to America's broad strategy toward the region where our interests are in security, stability, and open markets.

The two developments are the passage by the Philippine Senate of a U.S.-Philippine Visiting Forces Agreement and the progress being made toward completion of a U.S.-Vietnam trade agreement.

After a decade of stable democracy and economic reform, the Philippines may be the strongest economy in Southeast Asia after Singapore. Security ties, however, have remained at a very low level since the end of the base arrangement in 1991. This changed dramatically two weeks ago when the Philippine Senate ratified the new Visiting Forces Agreement.

This arrangement, typical of the relationship we have with many of our allies, allows us to apply U.S. military law to American soldiers and sailors overseas. Its ratification will permit us to renew joint military exercises, pay naval port visits, and develop a stronger and more cooperative relationship than we have had in the decade since we left Subic Bay and Clark Field. President Estrada and the Philippine Senate deserve great credit for their statesmanship in bringing these talks to conclusion.

The Visiting Forces Agreement also comes at an opportune time. Disputes between Southeast Asian states and China in the South China Sea are becoming more frequent. The financial crisis has forced most Southeast Asian nations to concentrate on internal economic issues. This agreement should give Southeast Asian countries more confidence in the U.S. commitment to the region, and, hence, serve as a long-term force for stability.

In the case of Vietnam, we appear to be getting close to a bilateral trade agreement, which will promote economic reform in Vietnam and allow us to grant them Normal Trade Relations status, NTR.

Vietnam, the fourth largest country in Asia and one that shares a land border with China, is an essential part of any regional policy. We have obvious historic sensitivities to address as we develop closer relations with Vietnam. We have taken a number of steps in the past few years—lifting the trade embargo, normalizing diplomatic relations, dispatching Pete Peterson as Ambassador, and concluding a Copyright Agreement, all in association with a commitment by Vietnam for full cooperation on resolving POW/MIA issues. As time passes, a normal and productive relationship with Vietnam will contribute immensely to stability and security in the southern Pacific.

We are now negotiating an agreement that would begin to open the Vietnamese market to foreign trade and investment. This will support economic reform and market opening in Vietnam while also creating new commercial opportunities for Americans in a market of 80 million people. The strategic implications of this agreement, which will move us down the road to a normal bilateral relationship with Vietnam, are important. It will strengthen Southeast Asia, reduce chances for conflicts in the wider Asian region, and place the United States in a stronger regional position.

Of course, an agreement must be meaningful in trade policy terms. It is not a WTO accession and, therefore, need not meet WTO standards, but it should include elements such as reform of trading rights and opening of key service sectors, in addition to other market-opening steps. For our part, if the Vietnamese are willing to conclude such an agreement, we should proceed rapidly to grant them Normal Trade Relations. This is in our trade and commercial interest, and also in our strategic interest. We have an opportunity to integrate Vietnam more fully into the Asian and world economies. I encourage our Administration, and the Vietnamese government, to complete the Commercial Agreement expeditiously.

We should, parenthetically, also proceed to Normal Trade Relations with Laos, where a trade agreement has already been completed.

The Philippine Visiting Forces Agreement and the bilateral trade agreement with Vietnam, once completed, mean we have taken additional steps toward creating a post-Cold War framework involving open trade and security relationships in the Pacific. This is very much in our national interest.

CHEMICAL WEAPONS CONVENTION

Mr. AKAKA. Mr. President, as the ranking member of the Subcommittee on International Security, Proliferation and Federal Services, I want to stress the importance of the United States implementing in a timely manner the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, commonly referred as the Chemical Weapons Convention (CWC).

The Convention is an important multilateral agreement that serves to reduce the threat posed by chemical weapons. It bans the development, production, stockpiling, and use of chemical weapons by signatory states. The Convention also requires the destruction of all chemical weapons and production facilities by signatory states.

The Convention does not, however, prohibit the manufacture, use, and consumption of chemicals that could be used as warfare agents or their precursor chemicals as long as these chemicals are used for legitimate peaceful purposes.

Although the Convention has been in force for 2½ years, the United States is not in the compliance because the administration has not yet submitted the required industrial declarations to the International Organization on the Proliferation of Chemical Weapons. This is a disappointment since the United States played a central role in spearheading development of this treaty.

Most of our allies have complied with their treaty obligations, but it is likely that they will not agree to a second round of inspections until the United States has submitted declarations and U.S. industry has undergone inspections.

The United States has the largest chemical industry in the world. This industry is involved in legitimate production, use, consumption, export and import of chemicals subject to verification under the Convention. The United States must serve as a model of

compliance with the Convention to build confidence with our friends and foes and also to ensure that chemical weapons are never used again.

On June 25, 1999, President Clinton issued Executive Order 13128 to implement the Chemical Weapons Convention Implementation Act of 1998, which Congress passed on October 21, 1998.

However, the administration still has not issued regulations for industry to comply with the declaration and inspection requirements under the treaty.

The American chemical industry is poised to comply with our treaty obligations. I hope the administration quickly issues these regulations so the United States is in compliance with our treaty obligations.

TRIBUTE TO NELSON RHONE

Mr. LOTT. Mr. President, I rise today to pay tribute to Nelson Rhone who will be retiring from the Senate on July 7, 1999. Nelson began his Senate career December 21, 1964, as a laborer with Sergeant at Arms' custodial service operation. During his tenure with the Sergeant at Arms office, Nelson also worked in the Legislative Garage as a garage attendant and driver. In 1988, Nelso was promoted to Labor Foreman in the Sergeant at Arms' Environmental Service operation.

That account of his career here does not adequately convey the affection and respect he has earned at all levels of this institution. He is one of those rare individuals who, by virtue of both his tenure and his character, come to represent all that is best in the Senate of the United States.

In describing him, the word that immediately comes to mind is ''gentleman.'' These days, that can seem like a quaint or old-fashioned term, but it is the most accurate compliment for someone like Nelson, who, by personal example, has set a standard for others to follow. It is an understatement to say that we will miss him. He is a gem.

Now, after nearly 35 years of devoted service to the Senate, he is retiring to spend more time with his wife, Mary Jane, and his family. Nelson is an avid bowler and enjoys traveling. He and Mary Jane look forward to having the time to travel and spend more time with their friends and family.

Nelson has been a dedicated and valuable member of the Senate community, and I know all members join with me in wishing him many years of health and happiness.

MARCIA KOZIE

Mr. MURKOWSKI. Mr. President, today Marcia Kozie, who heads up my State office in Fairbanks, will retire from Federal service. She has served in this capacity since 1981.

When I think of my Fairbanks office, I think of an advisor and friend, Marcia Kozie. She knows everyone in town and stays current on all the issues involving Federal, State and local governments. If I want to know the whole story, I call Marcia. I know the old addage goes, ''no one is irreplaceable,'' but Marcia's boots will be difficult to fill. She has trailblazed for me these many years and her calm demeanor and soothing voice can smooth out the many wrinkles we often encounter.

When you cross the threshold of the Fairbanks office, you are always welcomed by a cheerful smile, a kind word and a sympathetic ear. Marcia Kozie has always had these winning ways, even during the most difficult of times. We all sometimes shoot the messenger by mistake, but Marcia's demeanor has always worked like a charm. Her ability to see the glass half full instead of empty, her cool head in times of crises and her genuine concern for my constituency have been worth more to me and Nancy and my office than a ton of Alaska gold. You just can't buy this kind of service.

Even though Marcia made her way to Alaska via Vermont, New Hampshire, Colorado, and Texas, she lived in the Fairbanks community for over 19 years before she came to work for me. In typical Marcia fashion, she immersed herself in the community getting involved with her three children and their activities, her husband Walt's business and many philanthropic groups who provided a special insight into Fairbanks community affairs.

She told me in her first interview that even though she had not worked for many years, she was adaptable and proficient in whatever the task. She continued by saying this was a God-given talent and that she didn't think He had taken it away from her, yet. And I have never regretted that decision to hire Marcia. While her Federal service will end, I know she will be devoting her time to spreading those God-given talents around the community.

She will be missed by all the staff members in both the Washington, DC, and State offices. It is with deep appreciation and gratitude that I thank her for 18 years of a job well done. As a matter of fact, the mayor of Fairbanks has proclaimed today, June 30, 1999, as Marcia Kozie Day in Fairbanks.

Toodle-loo, my loyal friend. Thank you for your service to this country, the State of Alaska and the people of Fairbanks.

MEDICARE HOME HEALTH EQUITY ACT OF 1999

Mr. LEVIN. Mr. President, on June 10th we held a hearing on home health care in the Permanent Subcommittee on Investigations Subcommittee where we examined how the so called ''reforms'' of the Balanced Budget Act of 1997 were holding up. I continue to believe that the answer to that question is, ''not well.'' That is why I am joining with my colleague from Maine, Senator COLLINS, the Chairman of the PSI Subcommittee, in introducing an important bill, the Medicare Home Health Equity Act of 1999.

Home health care agencies provide a vital service to many elderly Americans. In my own state of Michigan there are over 1.3 million Medicare beneficiaries. Over 100,000 of these beneficiaries use the services of Michigan's 223 home health agencies. People prefer to recuperate in their own homes, and it is also less costly for the government since the alternative is nursing home care which is extraordinarily expensive for the Medicare program.

I am concerned about potential access problems. Although HCFA and the GAO have reported that they have not seen a decline in access for beneficiaries, the home health care witnesses that spoke before the PSI Subcommittee all stated that they believed there was an access problem. In fact, Barbara Markham Smith, from the George Washington University Medical Center, testified that ''many seriously ill patients, especially diabetics, appear to have been displaced from Medicare home care.'' Sometimes it takes a while for the people in the field to actually get the numbers back to the people in Washington, and I think this is one of those instances.

We all know that during the early 90's home health care expenditures grew at a rapid pace. According to the GAO, Medicare spent $3.7 billion to pay for home health visits in 1990 compared to $17.8 billion in 1997. This growth led to changes, like the interim payment system, (IPS) that were implemented under the Balanced Budget Act. While some of the changes under the Balanced Budget Act were good, some of the changes are now negatively impacting Medicare beneficiaries.

I have heard from many constituents regarding home health care changes under the Balanced Budget Act and the various regulations that HCFA has imposed. In fact, last year, I received some 1500 letters from both home health care providers and beneficiaries. I echo their concerns when I say that the interim payment system penalizes cost efficient home health providers, like those in Michigan, while rewarding higher cost agencies.

Not only does the IPS penalize agencies that attempted to keep their costs down in 1994, but the new regulations which HCFA has imposed on the agencies are quite burdensome. There is no more poignant story to demonstrate the undue burdens being placed on home health care providers than that of Linda Stock, a Michigan home health care provider. This month Ms. Stock testified before the PSI Subcommittee about the problems that

home care providers were having, particularly cost efficient home care providers like her own. Last week Ms. Stock called to let me know that she has resigned from her job because she did not feel that she could ask her staff to implement regulations such as OASIS (Outcome and Assessment Information Set) and the 15 minute increment home health reporting requirement. It is tragic that a committed health care provider such as Linda Stock would feel the need to resign from her job rather than implement regulations which she believed were unfair to both beneficiaries and providers.

So what can be done in the face of these problems? I believe that the bill we are introducing today, if enacted, could go a long way towards helping Ms. Stock and others like her.

Last year I worked on a bill with Senator COLLINS to revise the payment formula used to calculate the per beneficiary limit. That bill would have created new winners and losers under the IPS. This year's bill does not attempt to revise the formula, and therefore avoids the formula fight which made action on this issue so difficult last year. Our new bill makes needed adjustments to the Balanced Budget Act of 1997 and related federal regulations.

Though technical in nature, I would like to read the major provisions found in the bill:

(1) The bill will eliminate the automatic 15 per cent reduction in Medicare home health payments now scheduled for October 1, 2000.

(2) The bill will provide supplemental payments to home health agencies on a patient by patient basis if the cost of care for an individual is considered by the Secretary to be significantly higher than average due to the patient's particular health and functional condition.

(3) The bill will increase the per beneficiary cost limit for agencies with limits below the national average to the national average cost per patient over a three year period or until the Medicare home health prospective payment system is implemented.

(4) The bill will revise the surety bond requirement for home health agencies to more appropriately target fraud

(5) The bill will extend the IPS overpayment recoupment period to three years without interest

(6) The bill will eliminate the 15 minute incremental reporting period

(7) The bill temporarily maintains the Periodic Interim Payment (PIP) program, a program that permits HCFA to make payments to agencies based on historical payment levels—prior to the final settlement of claims and cost reports.

I believe that this bill provides an opportunity for us to move forward in solving some of the problems caused by the Balanced Budget Act. We should pass this common sense bill that will ensure that home care is accessible to those seniors who so desperately need it.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, June 30, 1999, the federal debt stood at $5,638,780,248,334.54 (Five trillion, six hundred thirty-eight billion, seven hundred eighty million, two hundred forty-eight thousand, three hundred thirty-four dollars and fifty-four cents).

One year ago, June 30, 1998, the federal debt stood at $5,547,935,000,000 (Five trillion, five hundred forty-seven billion, nine hundred thirty-five million).

Five years ago, June 30, 1994, the federal debt stood at $4,645,802,000,000 (Four trillion, six hundred forty-five billion, eight hundred two million).

Ten years ago, June 30, 1989, the federal debt stood at $2,799,923,000,000 (Two trillion, seven hundred ninety-nine billion, nine hundred twenty-three million).

Twenty-five years ago, June 30, 1974, the federal debt stood at $476,006,000,000 (Four hundred seventy-six billion, six million) which reflects a debt increase of more than $5 trillion—$5,162,774,248,334.54 (Five trillion, one hundred sixty-two billion, seven hundred seventy-four million, two hundred forty-eight thousand, three hundred thirty-four dollars and fifty-four cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in the executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:01 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 66. An act to preserve the cultural resources of the Route 66 corridor and to authorize the Secretary of the Interior to provide assistance.

H.R. 592. An act to designate a portion of Gateway National Recreation Area as ''World War Veterans park at Miller Field.''

H.R. 791. An act to amend the National Trails System Act to designate the route of the War of 1812 British invasion of Maryland and Washington, District of Columbia, and the route of the American defense, for study for potential addition to the national trails systems.

H.R. 1218. An act to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 200, and for other purposes.

At 6:45 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1059) to authorize appropriations for fiscal years 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, disagreed to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the Houses:

From the Committee on Armed Services; for consideration of the Senate bill and the House amendment, and modifications committed to conference: Mr. SPENCE, Mr. STUMP, Mr. HUNTER, Mr. BATEMAN, Mr. HANSEN, Mr. WELDON of Pennsylvania, Mr. HEFLEY, Mr. SAXTON, Mr. BUYER, Mrs. FOWLER, Mr. MCHUGH, Mr. TALENT, Mr. EVERETT, Mr. BARLETT of Maryland, Mr. MCKEON, Mr. WATTS of Oklahoma, Mr. THORNBERRY, Mr. HOSTETTLER, Mr. CHAMBLISS, Mr. HILLEARY, Mr. SKELTON, Mr. SISISKY, Mr. SPRATT, Mr. ORTIZ, Mr. PICKETT, Mr. EVANS, Mr. TAYLOR of Mississippi, Mr. ABERCROMBIE, Mr. MEEHAN, Mr. UNDERWOOD, Mr. REYES, Mr. TURNER, Ms. SANCHEZ, Mrs. TAUSCHER, Mr. ANDREWS, and Mr. LARSON.

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X: Mr. GOSS, Mr. LEWIS of California, and Mr. DIXON.

From the Committee on Banking and Financial Services, for consideration of section 1059 of the Senate bill, and section 1409 of the House bill, and modifications committed to conference: Mr.

MCCOLLUM, Mr. BACHUS, and Mr. LAFALCE.

From the Committee on Commerce, for consideration of sections 326, 601, 602, 1049, 1050, 3151–53, 3155–3165, 3173, 3175, 3176–78 of the Senate bill, and sections 601, 602, 653, 3161, 3162, 3165, 3167, 3184, 3186, 3188, 3189, and 3191 of the House amendment, and modifications committed to conference: Mr. BLILEY, Mr. BARTON of Texas, and Mr. DINGELL: *Provided*, That Mr. BILIRAKIS is appointed in lieu of Mr. BARTON of Texas for consideration of sections 326, 601, and 602 of the Senate bill, and sections 601, 602, and 653 of the House amendment, and modifications committed to conference: *Provided further*, That Mr. TAUZIN is appointed in lieu of Mr. BARTON of Texas for considerations of sections 1049 and 1050 of the Senate bill, and modifications committed to conference.

From the Committee on Education and the Workforce, for consideration of sections 479 and 698 of the Senate bill, and sections 341, 343, 549, 567, and 673 of the House amendment, and modifications committed to conference: Mr. GOODLING, Mr. DEAL of Georgia, and Mrs. MINK of Hawaii.

From the Committee on Government Reform, for consideration of sections 538, 652, 654, 805–810, 1004, 1052–54, 1080, 1101–07, 2831, 2862, 3160, 3161, 3163, and 3173 of the Senate bill, and sections 522, 524, 525, 661–64, 672, 802, 1101–05, 2802, and 3162 of the House amendment, and modifications committed to conference: Mr. BURTON of Indiana, Mr. SCARBOROUGH, and Mr. CUMMINGS: *Provided*, That Mr. HORN is appointed in lieu of Mr. SCARBOROUGH for consideration of sections 538, 805–810, 1052–54, 1080, 2831, 2862, 3160, and 3161 of the Senate bill, and sections 802 and 2802 of the House amendment.

From the Committee on International Relations, for consideration of sections 1013, 1043, 1044, 1046, 1066, 1071, 1072, and 1083 of the Senate bill, and sections 1202, 1206, 1301–07, 1404, 1407, 1408, 1411, and 1413 of the House amendment, and modifications committed to conference: Mr. GILMAN, Mr. BEREUTER, and Mr. GEJDENSON.

From the Committee on the Judiciary, for consideration of sections 3156 and 3163 of the Senate bill, and sections 3166 and 3194 of the House amendment, and modifications committed to conference: Mr. HYDE, Mr. MCCOLLUM, and Mr. CONYERS.

From the Committee on Resources, for consideration of sections 601, 602, 695, 2833, and 2861 of the Senate bill, and sections 365, 601, 602, 653, 654, and 2863 of the House amendment, and modifications committed to conference: Mr. YOUNG of Alaska, Mr. TAUZIN, and Mr. GEORGE MILLER of California.

From the Committee on Science, for consideration of sections 1049, 3151–53, and 3155–65 of the Senate bill, and sections 3167, 3170, 3184, 3188–90, and 3191 of the House amendment, and modifications committed to conference: Mr. SENSENBRENNER, Mr. CALVERT, and Mr. COSTELLO.

From the Committee on Transportation and Infrastructure, for consideration of sections 601, 602, 1060, 1079, and 1080 of the Senate bill, and sections 361, 601, 602, and 3404 of the House amendment, and modifications committed to conference: Mr. SHUSTER, Mr. GILCHREST, and Mr. DEFAZIO.

From the Committee on Veterans' Affairs, for consideration of sections 671–75, 681, 682, 696, 697, 1062, and 1066 of the Senate bill, and modifications committed to conference: Mr. BILIRAKIS, Mr. QUINN, and Mr. FILNER.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 1905) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses there; and appoints Mr. TAYLOR of North Carolina, Mr. WAMP, Mr. LEWIS of California, Ms. GRANGER, Mr. PETERSON of Pennsylvania, Mr. YOUNG of Florida, Mr. PASTOR, Mr. MURTHA, Mr. HOYER, and Mr. OBEY, as the managers of the conference on the part of the House.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times and placed on the calendar:

H.R. 791. An act to amend the National Trails System Act to designate the route of the War of 1812 British invasion of Maryland and Washington, District of Columbia, and the route of the American defense, for study for potential addition to the national trails system.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 1218. An act to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4035. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Foreign Assistance Act of 1961 the annual report for fiscal year 1998 relative to defense articles that were licensed for export under the Arms Control Act; to the Committee on Foreign Relations.

EC–4036. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report relative to a human resources demonstration project at the Naval Research Laboratory; to the Committee on Governmental Affairs.

EC–4037. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Office of the Treasury Inspector General for Tax Administration for the period October 1, 1998 through March 31, 1999; to the Committee on Governmental Affairs.

EC–4038. A communication from the Chairman, Federal Housing Finance Board, transmitting, pursuant to law, the management reports of the twelve Federal Home Loan Banks and the Financing Corporation for calendar year 1998; to the Committee on Governmental Affairs.

EC–4039. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report of the Metals Initiative for fiscal year 1997; to the Committee on Energy and Natural Resources.

EC–4040. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled ''Summary of Expenditures of Rebates from the Low-Level Radioactive Waste Surcharge Escrow Account'' for calendar year 1997; to the Committee on Energy and Natural Resources.

EC–4041. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Cooperative Threat Reduction Program; to the Committee on Armed Services.

EC–4042. A communication from the Board Members, Railroad Retirement Board, transmitting, pursuant to law, the 1999 annual report on the financial status of the railroad unemployment insurance system; to the Committee on Health, Education, Labor, and Pensions.

EC–4043. A communication from the Board Members, Railroad Retirement Board, transmitting, pursuant to law, a report relative to the actuarial status of the railroad retirement system dated June 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–4044. A communication from the Attorney for the National Council on Radiation Protection and Measurements, transmitting, pursuant to law, the annual report of independent auditors for calendar year 1998; to the Committee on the Judiciary.

EC–4045. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the report of the Congressional Commission on Servicemembers and Veterans Transition Assistance; to the Committee on Veteran's Affairs.

EC–4046. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''VISAS: Documentation of Nonimmigrants Under the Immigration and Nationality Act, as Amended—Border Crossing Cards'' (Public Notice 2976), received June 30, 1999; to the Committee on Foreign Relations.

EC–4047. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, a report on the Investigation of U.S.-Origin Military Equipment in Cyprus and Azerbaijan; to the Committee on Foreign Relations.

EC–4048. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report relative to the legal descriptions of acquired lands and conveyed lands in the State of Alaska; to the Committee on Energy and Natural Resources.

EC–4049. A communication from the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report on the profitability of the credit card operations of depository institutions, dated June 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–4050. A communication from the Chairman, Postal Rate Commission, transmitting, pursuant to law, the annual report on international mail costs for fiscal year 1998; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–231. A resolution adopted by the House of the Legislature of the State of Michigan relative to the Kyoto Protocol on greenhouse gas emissions; to the Committee on Foreign Relations.

HOUSE RESOLUTION NO. 98

Whereas, The people of Michigan join other Americans in the concern that emissions of carbon dioxide and other greenhouse gases may pose a risk of adding to natural long-term changes in climate, such as warming of the Earth, shifts in climate patterns and weather conditions, and other atmospheric aberrations; and

Whereas, Scientists are continuing to investigate and debate the merits of existing evidence of climate change. Researchers are developing more information about the extent, causes, and solutions related to greenhouse gases; and

Whereas, Michigan's citizens want government leaders to seek affordable, effective ways to address climate change; and

Whereas, in July 1997, the United States Senate adopted Senate Resolution 98, which directs the United States not to adopt any agreement emerging from the Kyoto, Japan, summit on climate change that would commit this nation to limits or reductions in greenhouse gas emissions without also requiring commitments by developing nations or that would impose undue economic burdens on all Americans; and

Whereas, Despite well-documented uncertainties about the scientific basis of climate change and contrary to the directives contained in Senate Resolution 98, the United States signed the Kyoto Climate Treaty. This treaty, often referred to as the Kyoto Protocol, commits this nation to reducing its emissions of greenhouse gases to amounts that are seven percent below their 1990 levels between the years 2008 and 2012 (an amount requiring more than a 30 percent reduction in projected United States carbon emissions achieved by reductions in energy use). The treaty, however, exempts more than 130 developing nations from similar constraints; and

Whereas, Energy provides valuable services to citizens through the heating and cooling of homes, transportation, processing of fuel, and other services vital to our citizens' well-being and our security; and

Whereas, Achieving the Kyoto Protocol targets will not mitigate climate changes or its effects, but according to the United States Department of Energy's Energy Information Administration, it may cause the loss of 2.4 million jobs throughout most industry sectors and increase the price of electricity (up to 86%), gasoline (66 cents per gallon), fuel oil (76%), and natural gas (147%); and

Whereas, Studies by the Heartland Institute and the Sparks Companies show that the Kyoto Protocol would increase production costs and cut farmers' incomes by one-quarter to one-half. This would force many family farms out of business, reduce agricultural exports, and increase food prices, which would be especially detrimental to America's poorest families; and

Whereas, According to the United States Energy Information Administration, meeting the emissions reduction targets in the Kyoto Protocol could cost the average household in the United States $4,100 per year beginning in 2010 resulting from the increase in the price of utilities, fuel, and consumer goods and services. It is projected to cause the loss of 96,500 jobs in Michigan; and

Whereas, Other alternatives to reducing greenhouse gas emissions, such as research and development and voluntary emissions reduction programs, should be investigated and considered. It is vital to use a balanced approach to promoting economic progress and protecting the environment; now, therefore, be it

Resolved by the House of Representatives, That we oppose the provisions of the Kyoto Protocol and memorialize the United States Senate not to ratify the Kyoto Climate Treaty. We urge federal authorities to consider strategies to protect the environment that apply to all nations and encourage alternative, voluntary proposals to reduce greenhouse gases; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–232. A resolution adopted by the House of the Legislature of the State of Illinois relative to Social Security; to the Committee on Finance.

HOUSE RESOLUTION NO. 95

Whereas, Social Security is America's premier family protection system, providing working families with crucial income insurance in the event of the retirement, death or disability of a family wage earner; and

Whereas, Social Security is the only secure source of retirement income for the overwhelming majority of Americans, with two in three older American households relying on Social Security for half or more of their income; and

Whereas, Many of the proposals being discussed would require sharp and misguided benefit cuts, including raising the normal retirement age and reducing the cost of living adjustments; and

Whereas, The Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds are reporting that Social Security is secure and can pay full benefits until 2032, with 70 to 75 percent of benefits covered by expected revenues after that time; and

Whereas, Many Americans are concerned about Social Security's long-term financial viability; therefore, be it

Resolved, by the House of Representatives of the Ninety-First General Assembly of the State of Illinois, That (1) Congress should take steps soon to strengthen Social Security so that all Americans can be assured that the program will be there for them; (2) Social Security should continue to provide an unreduced foundation of economic security for American families; (3) Social Security benefits should not be subject to the whims of the market, and private investment accounts should never be substituted for the core defined benefits Social Security currently provides; (4) Working families should be able to count on full disability and survivor protections that grow to meet the needs of families, including spouses and children; (5) Americans who do not spend full careers in the paid workforce because they work at home caring for children or other family members should not be penalized by reform; and (6) Responsible Social Security reforms must be based on realistic assumptions about the economy as well as about the uncertainty and risk inherent in markets; and be it further

Resolved, That suitable copies of this resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and each member of the Illinois congressional delegation.

POM–233. A resolution adopted by the House of the Legislature of the State of Illinois relative to the Social Service Block Grant/Title XX program; to the Committee on Appropriations.

HOUSE RESOLUTION NO. 160

Whereas, Congress and the White House have funded the Social Service Block Grant/Title XX program at a relatively stable level for the past 5 years; and

Whereas, The FFY 99 funding level for this program unexpectedly dropped 17% during budget negotiations at the close of the last congressional session; and

Whereas, This federally funded program is almost exclusively devoted to community based human services throughout the State of Illinois, including adoption services, case coordination services, intervention for victims of domestic violence, youth development services, day care for children, employment development services, family support, foster care for children, homemaker services, outpatient treatment, protective intervention, rehabilitation and training for handicapped adults, and treatment for substance abuse, among other funded services, extending into every county and legislative district in the State serving over 130,000 individuals or families in Illinois; and

Whereas, The National Conference of Mayors, the National Council of State Legislatures, and the National Governors Conference have all strongly recommended the restoration of full funding to this important program; therefore be it

Resolved, by the House of Representatives of the Ninety-First General Assembly of the State of Illinois, That the Illinois congressional delegation be informed of our concern regarding this essential source of funding for critically important State programming and services; and be it further

Resolved, That the Illinois House of Representatives urges the Illinois congressional delegation to influence and guide the federal budgeting process for FFY 2000 and beyond to restore full funding for the Social Service Block Grant/Title XX program and incrementally increase funding for this essential program as future federal budget opportunities present themselves; and be it further

Resolved, That copies of this resolution be forwarded to the members of the Illinois congressional delegation immediately.

POM–234. A resolution adopted by the House of the Legislature of the State of Illinois relative to the proposed ''Dollars to the Classroom Act''; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 228

Whereas, H.R. 2 is a bill that was introduced this year in the U.S. House of Representatives to send more dollars to the classroom and for certain other purposes; and

Whereas, In this bill, Congress urges the Department of Education, states, and local educational agencies to work together to ensure that not less than 95% of all funds appropriated for elementary and secondary education programs administered by the Department of Education is spent for children in their classrooms; the bill also provides for an educational flexibility program under which the Secretary of Education allows a State educational entity to waive statutory and regulatory requirements for the State educational agency or any local education agency or school and provides for the modification of arbitrage rebate rules applicable to bonds used to finance public schools; therefore be it

Resolved, by the House of Representatives of the Ninety-First General Assembly of the State of Illinois, That we urge the U.S. Congress to pass H.R. 2; and be it further

Resolved, That suitable copies of this resolution be delivered to the Speaker of the U.S. House of Representatives, the President pro tempore of the U.S. Senate, and each member of the Illinois congressional delegation.

POM–235. A resolution adopted by the House of the Legislature of the State of Illinois relative to the proposed ''Death Tax Elimination Act''; to the Committee on Finance.

HOUSE RESOLUTION NO. 229

Whereas, H.R. 8, the Death Tax Elimination Act, was introduced in the House of Representatives of the 106th Congress; and

Whereas, H.R. 8 will amend the Internal Revenue Code of 1986 to phase out estate and gift taxes over a 10-year period; and

Whereas, The elimination of federal estate and gift taxes will result in tax savings to the citizens of this State; therefore, be it

Resolved, by the House of Representatives of the Ninety-First General Assembly of the State of Illinois, That we encourage the United States Congress to pass H.R. 8; be it further

RESOLVED, That suitable copies of this resolution be delivered to the President pro tempore of the United States Senate, the Speaker of the United States House of Representatives, and each member of the Illinois congressional delegation.

POM–236. A resolution adopted by the House of the Legislature of the State of Illinois relative to Phase II Reformulated Gasoline; to the Committee on Environment and Public Works.

HOUSE RESOLUTION NO. 303

Whereas, The federal Clean Air Act requires a new type of motor fuel to be sold in the Nation's ozone non-attainment areas beginning January 1, 2000; and

Whereas, This new fuel is known as Phase II Reformulated Gasoline or RFG; and

Whereas, Illinois has 2 ozone non-attainment areas: the 8-county Chicago Metropolitan area which will have to sell Phase II RFG exclusively and the 3-county Metro-east area; and

Whereas, Most of the present Phase I RFG fuel sold in the Chicago Metropolitan area, through a partnership between corn growers, ethanol processors, and gasoline refiners and marketers, contains 10% ethanol; and

Whereas, The Chicago RFG market accounts for 400 million gallons of ethanol demand, making it the foundation of the domestic ethanol industry today; and

Whereas, The General Assembly is greatly concerned that present United States Environmental Protection Agency regulations for Phase II RFG could severely limit or prohibit the blending of ethanol in gasoline by refiners, especially in the summer months, thereby endangering the Illinois ethanol industry's core market; and

Whereas, To date, the Chicago Area and Illinois have made extraordinary progress in meeting the demands of the Clean Air Act, leading to greatly improved air quality, much of which is attributed to the use of existing RFG fuels; and

Whereas, The USEPA's proposed Phase II RFG regulations for January 1, 2000, constitute a real threat to the economic viability of Illinois; ethanol industry and Illinois' gasoline refining industry; and

Whereas, Illinois' ethanol industry supports over 50,000 jobs in the corn farming and ethanol processing sector, with major facilities in Peoria, Decatur, and elsewhere in the State; and

Whereas, Illinois' gasoline refining and marketing industry employs over 40,000 Illinois workers, including 6 major refineries producing over one million barrels a day of gasoline and other products in the Chicago area, St. Louis area, and Southeastern Illinois location; therefore, be it

Resolved, by the House of Representatives of the Ninety-First General Assembly of the State of Illinois, That we encourage and support Governor George Ryan's decision to immediately engage the Administrator of the United States Environmental Protection Agency in a dialogue towards meeting and resolving the technical challenges of using ethanol in Phase II RFG; that the dialogue shall include presentation of recent research data suggesting ethanol benefits and the request that the U.S. Environmental Protection Agency permit the continued use of ethanol under phase II of the RFG Program in a way that will not economically disadvantage Illinois' ethanol and gasoline refining industries; and be it further

Resolved, That if urban airshed modeling is required as a necessary component of the presentation to the U.S. Environmental Protection Agency, the General Assembly will support funding for the Illinois EPA to conduct the modeling; and be it further

Resolved, That suitable copies of this resolution be delivered to the Governor, the Director of the Illinois Environmental Protection Agency, the Administrator of the United States Environmental Protection Agency, the President of the United States, and each member of the Illinois congressional delegation.

POM–237. A resolution adopted by the Legislature of the State of Alaska relative to the Kosovo conflict and to Alaskans serving in the military forces in the area of the conflict; to the Committee on Armed Services.

LEGISLATIVE RESOLVE NO. 20

Whereas, Slobodan Milosevic has embarked upon a policy of ethnic cleansing of Albanians in Kosovo, Yugoslavia; and

Whereas, the actions of the Serbian military forces are a humanitarian disaster in the making and are not acceptable in the civilized world; and

Whereas, the armed forces of the United States are currently participating in the campaign against Serbian forces in Kosovo to stop the ethnic cleansing activities; and

Whereas, many of the United States troops that will be sent to the Balkans will be pulled away from civilian lives at great personal sacrifice; and

Whereas, the Allied troops will be expected to endure many uncertainties and hardships caused by separation from their loved ones for months while stationed in the harsh conditions of the Balkan region; and

Whereas, the tremendous humanitarian effort being taken by the Allied military force is an enormous service to mankind; and

Whereas, members of our military forces are performing their mission with great dispatch, exemplifying the high degree of dedication, professionalism, and training that underlines the technologies and strategic superiority of our military strength; and

Whereas, many of our United States troops are in danger, and the media reports that the public must be prepared to accept the possibility that there will be United States causalities; and

Whereas, Alaskans in the military services have been called on to participate in the Kosovo conflict and are likely to be called on to serve there in increasing numbers; and

Whereas, these Alaskans are and will be serving in the interest of the United States with dedication, honor, and commitment; be it

Resolved, That the Alaska State Legislature

(1) commends the bravery and dedication of Alaska's military personnel and of all men and women who are serving in the Kosovo conflict; and

(2) applauds the extraordinary job being done by the United States and Allied military forces in saving lives by setting up tents and establishing refugee camps; and be it further

Resolved, That the members of the Alaska State Legislature express their heartfelt concern for the safety of the United States military personnel in the conflict, and of the refugees who are fleeing Kosovo, and, therefore, urge President Clinton and the Congress to use whatever means available to bring the conflict to an end as soon as possible and in a manner that will help secure a just and lasting peace in the region; and be it further

Resolved, That the Alaska State Legislature requests the Alaska Legislative Council to direct the Legislative Affairs Agency to send the following message to all Alaskans and military personnel stationed in Alaska who are serving in the United States armed forces in the Kosovo conflict: ''The members of the Alaska State Legislature thank you heartily for your efforts in stopping the barbaric actions of Slobodan Milosevic in Kosovo and for laying a foundation for a just and lasting peace in the region. We commend your bravery and dedication. We wish you a safe and speedy return home.''

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable William S. Cohen, Secretary of Defense; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators; and the Honorable Don Young, U.S. Representative; Brigadier General Dean Cash, Commanding General, U.S. Army, Alaska; Brigadier General Phillip Oates, Adjutant General, Alaska National Guard; and Colonel George Cannelos, Director, Alaska Air National Guard.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special report entitled ''Further Revised Allocation to Subcommittees of Budget Totals, Fiscal Year 2000'' (Rept. No. 106–101).

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 335: A bill to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to games of chance, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes (Rept. No. 106–102).

By Mr. THOMPSON, from the Committee on Governmental Affairs, with amendments:

S. 468: A bill 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 (Rept. No. 106–103).

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 59: A bill designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day''.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 467: A bill to restate and improve section 7A of the Clayton Act, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 1257: A bill to amend statutory damages provisions of title 17, United States Code.

S. 1258: A bill to authorize funds for the payment of salaries and expenses of the Patent and Trademark Office, and for other purposes.

S. 1259: A bill to amend the Trademark Act of 1946 relating to dilution of famous marks, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1260: A bill to make technical corrections in title 17, United States Code, and other laws.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, for the Committee on Energy and Natural Resources:

David L. Goldwyn, of the District of Columbia to be an Assistant Secretary of Energy (International Affairs).

James B. Lewis, of New Mexico, to be Director of the Office of Minority Economic Impact, Department of Energy.

By Mr. ROTH, for the Committee on Finance:

Stuart E. Eizenstat, of Maryland, to be Deputy Secretary of the Treasury.

Lewis Andrew Sachs, of Connecticut, to be an Assistant Secretary of the Treasury.

Jeffrey Rush, Jr., of Virginia, to be Inspector General, Department of the Treasury, vice David C. Williams.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HATCH, for the Committee on the Judiciary:

Marsha L. Berzon, of California, to be United States Circuit Judge for the Ninth Circuit.

Robert A. Katzmann, of New York, to be United States Circuit Judge for the Second Circuit.

T. John Ward, of Texas, to be United States District Judge for the Eastern District of Texas.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HOLLINGS:

S. 1312. A bill to ensure full and expeditious enforcement of the provisions of the Communications Act of 1934 that seek to bring about competition in local telecommunications markets, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REED:

S. 1313. A bill to enable the State of Rhode Island to meet the criteria for recommendation as an Area of Application to the Boston-Worcester-Lawrence; Massachusetts, New Hampshire, Maine, and Connecticut Federal locality pay area; to the Committee on Governmental Affairs.

By Mr. LEAHY (for himself, Mr. DEWINE, and Mr. ROBB):

S. 1314. A bill to establish a grant program to assist State and local law enforcement in deterring, investigating, and prosecuting computer crimes; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself and Mr. HATCH):

S. 1315. A bill to permit the leasing of oil and gas rights on certain lands held in trust for the Navajo Nation or allotted to a member of the Navajo Nation, in any case in which there is consent from a specified percentage interest in the parcel of land under consideration for lease; to the Committee on Indian Affairs.

By Mrs. LINCOLN:

S. 1316. A bill to amend the Internal Revenue Code of 1986 to clarify that any amount allowable as a child tax credit under section 24 or an earned income credit under section 32 shall not be treated as income for purposes of any means-tested Federal program; to the Committee on Finance.

By Mr. AKAKA (for himself, Mr. MOYNIHAN, Mrs. FEINSTEIN, Mr. WELLSTONE, Mrs. MURRAY, and Mr. LAUTENBERG):

S. 1317. A bill to reauthorize the Welfare-To-Work program to provide additional resources and flexibility to improve the administration of the program; to the Committee on Finance.

By Mr. JEFFORDS (for himself, Mr. KERRY, Mr. GRAMS, Mr. SARBANES, and Mr. WELLSTONE):

S. 1318. A bill to authorize the Secretary of Housing and Urban Development to award grants to States to supplement State and local assistance for the preservation and promotion of affordable housing opportunities for low-income families; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOND:

S. 1319. A bill to authorize the Secretary of Housing and Urban Development to renew project-based contracts for assistance under secion 8 of the United States Housing Act of 1937 at up to market rent levels, in order to preserve these projects as affordable low-income housing, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRAIG:

S. 1320. A bill to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WELLSTONE (for himself and Mrs. MURRAY):

S. 1321. A bill to amend title III of the Family Violence Prevention and Services Act and title IV of the Elementary and Secondary Education Act of 1965 to limit the effects of domestic violence on the lives of children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. DODD, and Mr. KENNEDY):

S. 1322. A bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information or genetic services; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCONNELL (for himself and Mr. BUNNING):

S. 1323. A bill to amend the Federal Power Act to ensure that certain Federal power customers are provided protection by the Federal Energy Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SANTORUM:

S. 1324. A bill to expand the boundaries of the Gettysburg National Military Park to include Wills House, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FRIST:

S. 1325. A bill to amend the Applachian Regional Development Act of 1965 to add Hickman, Lawrence, Lewis, Perry, and Wayne Counties, Tennessee, to the Appalachian region; to the Committee on Environment and Public Works..

S. 1326. A bill to eliminate certain benefits for Members of Congress, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself, Mr. ROCKEFELLER, Mr. BOND, Mr. REED, Mr. JEFFORDS, Mr. MOYNIHAN, Mr. BREAUX, Ms. LANDRIEU, Mr. KERREY, and Ms. MIKULSKI):

S. 1327. A bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes; to the Committee on Finance..

By Mr. KERRY (for himself, Mr. GRASSLEY, Mr. BAUCUS, Mr. HARKIN, Mr. CLELAND, and Mr. BURNS):

S. 1328. A bill to amend the Internal Revenue Code of 1986 to permit the disclosure of certain tax information by the Secretary of the Treasury to facilitate combined Federal

and State employment tax reporting, and for other purposes; to the Committee on Finance.

By Mr. REID:

S. 1329. A bill to direct the Secretary of the Interior to convey certain land to Nye County, Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1330. A bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city; to the Committee on Energy and Natural Resources.

S. 1331. A bill to give Lincoln County, Nevada, the right to purchase at fair market value certain public land in the county; to the Committee on Energy and Natural Resources.

By Mr. BAYH (for himself, Mr. LUGAR, Mr. ROCKEFELLER, Mr. VOINOVICH, Mr. DURBIN, Mr. BINGAMAN, Mr. STEVENS, Mr. KENNEDY, Mr. MURKOWSKI, Mr. KERREY, and Ms. LANDRIEU):

S. 1332. A bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WYDEN (for himself and Mr. BENNETT):

S. 1333. A bill to expand homeownership in the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. AKAKA (for himself, Mr. EDWARDS, Mr. FRIST, Mr. LEVIN, Mr. STEVENS, Mr. SARBANES, and Mr. DURBIN):

S. 1334. A bill to amend chapter 63 of title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ASHCROFT:

S. 1335. A bill entitled the ''Military Retiree Health Care Act of 1999''; to the Committee on Finance.

By Mr. REED (for himself, Mr. SCHUMER, and Mr. EDWARDS):

S. 1336. A bill to amend the Internal Revenue Code of 1986 to provide a credit to promote home ownership among low-income individuals; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. SESSIONS, and Mr. KYL):

S. 1337. A bill to provide for the placement of anti-drug messages on appropriate Internet sites controlled by NASA; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI (by request):

S. 1338. A bill entitled the ''Military Lands Withdrawal Act of 1999''; to the Committee on Energy and Natural Resources.

By Mr. DURBIN:

S. 1339. A bill to provide for the debarment or suspension from Federal procurement and nonprocurement activities of persons that violate certain labor and safety laws; to the Committee on Governmental Affairs.

By Mrs. LINCOLN:

S. 1340. A bill to redesignate the ''Stuttgart National Aquaculture Research Center'' as the ''Harry K. Dupree Stuttgart National Aquaculture Research Center''; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DORGAN (for himself, Mr. LOTT, Mr. DASCHLE, Mr. NICKLES, Mr. REID, Mr. MURKOWSKI, Mr. CONRAD, Mr. BREAUX, Mr. GRAHAM, Mr. KERREY, Mr. HAGEL, Mr. HARKIN, Mr. DURBIN, Mr. SCHUMER, Mr. COCHRAN, Mr. CRAIG, Mr. BROWNBACK, Mr. WELLSTONE, Mr. EDWARDS, Mr. CAMPBELL, Mr. JOHNSON, Mr. BINGAMAN, Mr. MACK, Mr. DOMENICI, Mr. BENNETT, Mr. SANTORUM, and Mr. LEAHY):

S. 1341. A bill to amend the Internal Revenue Code of 1986 to expand the applicability of section 179 which permits the expensing of certain depreciable assets; to the Committee on Finance.

By Mr. ALLARD:

S. 1342. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

By Mr. REID:

S. 1343. A bill to direct the Secretary of Agriculture to convey certain National Forest land to Elko County, Nevada, for continued use as a cemetery; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. Res. 132. A resolution designating the week beginning January 21, 2001, as ''Zinfandel Grape Appreciation Week''; to the Committee on the Judiciary.

By Mr. ABRAHAM (for himself and Mr. CRAIG):

S. Res. 133. A resolution supporting religious tolerance toward Muslims; to the Committee on the Judiciary.

By Mr. HARKIN (for himself, Mr. THURMOND, and Mr. HOLLINGS):

S. Res. 134. A resolution expressing the sense of the Senate that Joseph Jefferson ''Shoeless Joe'' Jackson should be appropriately honored for his outstanding baseball accomplishments; to the Committee on Commerce, Science, and Transportation.

By Mr. DURBIN (for himself and Mr. LEAHY):

S. Res. 135. A resolution calling for the immediate release of the three humanitarian workers in Yugoslavia; to the Committee on Foreign Relations.

By Mrs. BOXER (for herself, Mrs. FEINSTEIN, Mr. DASCHLE, and Mr. ABRAHAM):

S. Res. 136. A resolution condemning the acts of arson at the three Sacramento, California, area synagogues on June 18, 1999, and calling on all Americans to categorically reject crimes of hate and intolerance; considered and agreed to.

By Mr. LOTT:

S. Con. Res. 43. A concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS:

S. 1312. A bill to ensure full and expeditious enforcement of the provisions of the Communications Act of 1934 that seek to bring about competition in local telecommunications markets, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE TELECOMMUNICATIONS COMPETITION ENFORCEMENT ACT OF 1999

Mr. HOLLINGS. Mr. President, I rise to introduce, S. 1312, the Telecommunications Competition Enforcement Act of 1999.

The United States has a telecommunications system that is unequaled. We have worked hard to ensure that consumers in all parts of the country have access to this system and enjoy services at an affordable price. Therefore, when the Bell companies asked us to allow them to enter the long distance market, it was with great caution that we began to develop policies that would change the existing framework. We did not want to jeopardize existing service as we phased in competition into local markets and allowed local phone companies to enter the long distance market.

Bell companies worked with Congress to create the fourteen point checklist and they celebrated the passage of the 1996 Act. They then filed applications with the Federal Communications Commission (FCC) to enter the long distance market. However, the FCC found that the Bell companies had not opened their local markets to competition, and therefore, under the 1996 Act, could not enter the long distance market. Once the Bell companies realized that they were not going to get into the long distance market before they complied with the 1996 Act, they began a strategy of litigation to delay competition into their local markets and hold on to their monopolies. They appealed the FCC's decisions to the Court of Appeals and challenged the constitutionality of the Act taking their case to the Supreme Court. Having lost in those forums they have now come to Congress seeking changes to the Act that only three years ago they championed. As a result bills have been introduced in the Senate and the House that significantly amend the 1996 Act, harm competition in the local markets, and slow the delivery of advanced, affordable services to consumers.

Therefore, I introduce this legislation as part of a continuing effort to promote competition in the local telecommunications markets. I am frustrated by the broken promises of the Bell companies given that not a single Bell company has adequately opened its local phone market to competition since the enactment of the Telecommunications Act of 1996. According to wall street analysts, as of the end of last year new entrants had only 2.5 percent of all access lines while Bell companies and incumbent local exchange carriers continued to control over 97 percent of those lines into the home.

Three years ago when we passed the 1996 Act, Bell companies proclaimed

that they would open their markets immediately and begin competing. In fact, they and their lawyers helped write the 14 point checklist—their roadmap into the long distance market in their region. All these companies have to do to provide long distance service in their regions is to follow that roadmap and meet the requirements of Section 271.

I remember the excitement by the local phone companies at the time of the 1996 Act. On March 5, 1996, Bell South-Alabama President, Neal Travis, stated that the ''Telecommunications Act now means that consumers will have more choices . . . We are going full speed ahead . . . and within a year or so we can offer [long distance] to our residential and business wireline customers.''

And, on February 8, 1996, USWest's President of Long Distance, Richard Coleman, issued this statement: ''The Inter-LATA long distance potential is a tremendous business opportunity for USWest. Customers have made it clear they want one-stop shopping for both their local and long distance service. We are preparing to give them exactly what they've been asking for.'' He went on to predict that USWest would meet the 14 point checklist in a majority of its states within 12–18 months.

Ameritech's chief executive office, Richard Notebaert February 1, 1996, noted his support of the 1996 Act by stating that, ''[t]he real open competition this bill promotes will bring customers more choices, competitive prices and better quality services . . . [T]his bill will rank as one of the most important and far-reaching pieces of federal legislation passed this decade . . . It offers a comprehensive communications policy, solidly grounded in the principles of the competitive marketplace. It's truly a framework for the information age.''

Those were the statements of the local phone companies in 1996. What has happened since then? The answer is very little. In fact, rather than meet their promises, the local phone companies were in federal court challenging the FCC's implementation of the Act less than one year after its enactment. In addition, only five applications for Section 271 relief have been filed at the FCC—and none have met the requirements of section 271. On more than one occasion, the FCC's decision to deny a 271 application has been upheld by the D.C. Circuit Court. One of the regional Bell companies even challenged the constitutionality of section 271—a challenge the court of appeals denied and the Supreme Court refused to hear. Today, there are no 271 applications on file at the FCC and not a single application has been presented to the FCC since July 1998.

What this means for the customer is that the choice and the local competition we tried to create with the passage of the Telecommunications Act has been thwarted by the very companies that promised to compete. Instead, they have chosen to litigate, complain, and combine. Just two days ago, the Chairman of the FCC decided to grant SBC and Ameritech approval to merge their operations. In permitting the merger to go forward, the FCC has conditioned approval on future performance—performance which SBC has not met in the three years since the passage of the 1996 Act. In fact, on the same day conditional approval of the SBC and Ameritech merger was announced, SBC agreed to pay $1.3 million to settle disputes surrounding alleged violations of sections of the 1996 Act dealing with the provision of long distance service. One company will now control one-third of all access lines in the United States even though its market is not open to competition. Competition again becomes a casualty of the unwillingness of Bell companies, to open their markets and let go of their monopolies.

Today, there are companies seeking to connect to the Bell networks and provide service to consumers. However, these companies often times experience significant difficulties in obtaining access to these networks. Thus, while I applaud the efforts of the competitive local exchange carriers, long distance carriers, and the cable industry to provide facilities-based local competition, I must express my disappointment that not a single regional bell operating company has sufficiently opened its markets to competition.

Since the beginning of this Congress, many of the Bell companies have been meeting with Senators and Representatives, often accompanied by the same lawyers who helped write the Telecommunications Act. But this time their message is different. They are asking us to change the rules of the game. They now want to offer lucrative high-speed data services for long distance customers without first having to open their local markets to competition. They maintain that they should be permitted to continue their hold on the local customer as they provide data services because the 1996 Act did not contemplate the provision of such services. To state it plainly—they are wrong. The Telecommunications Act clearly contemplated the provision of advanced services—data and otherwise. In fact, the Act had an entire section dedicated to promoting the development and deployment of advanced services. To quote the Act, ''advanced telecommunications capability'' is defined as ''high-speed switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.''

Regardless, nothing in the 1996 Act prevents phone companies from providing high speed data services to consumers inside and outside their region. They are already providing DSL service to customers inside their region. And, under the 1996 Act, Bell companies can provide long distance service in their region once they open their local markets. We must hold to this principle if we want consumers to have a choice of service providers. In fact, a number of Bell companies are working to meet Section 271 requirements. I applaud those attempts which, if successful, will ultimately provide new and innovative services at low prices to consumers.

Therefore, I reject their proposed legislative solutions, and instead, forward a different proposal. By 2001, five years will have passed since the Telecommunications Act became law. I believe, it is reasonable to expect Bell companies to have at least one-half of their markets in their region open to competition by 2001 and all of their markets in their region open to competition by 2003. The legislation that I introduce today accomplishs just that. My bill requires the Federal Communications Commission to assess a forfeiture penalty of $100,000 per day if a Bell operating company has not met the section 271 checklist in at least half of the states in its region by February 8, 2001—the five year anniversary of President Clinton signing the Telecommunications Act into law. Moreover, if the FCC finds that a Bell operating company has not met the section 271 checklist throughout its region by February 8, 2003, the Commission is required to order the company to divest its telecommunications network facilities within six months, in states in which it is not in compliance with the checklist.

With respect to non-Bell incumbent local exchange carriers with more than 5 percent of the access lines in the nation, the Commission, upon the petition of any interested party, is required to investigate whether the carrier's markets are open to competition to determine whether such carrier has complied with the interconnection requirements of the Act. A determination that such an incumbent local exchange company has not opened its markets shall result in a $50,000 per day forfeiture penalty, to be imposed by the FCC, if the company does not come into compliance within 60 days. In addition, the FCC shall order the company to cease and desist in marketing and selling long distance services to new customers, if it has not complied within the 60 day grace period.

Lastly, to protect competition once the Bell companies have met the section 271 checklist requirements, this bill provides the FCC with additional enforcement tools. If, at some point after meeting the checklist requirements, a Bell company fails to meet

one or more provisions of the checklist, the FCC shall impose a forfeiture penalty of $100,000 for each day of the continuing violation. Moreover, if, after meeting the checklist requirements, the Bell company willfully, knowing, and repeatedly fails to meet one or more provisions of the checklist, the FCC shall require the Bell company, within 180 days, to divest its telecommunications network facilities in states in which the repeated violations have occurred.

While these penalties may appear severe, severe action needs to be taken to force dominant market providers to open their markets to competition. During the debate over the Telecommunications Act, we did not include such a strong approach. Rather, we settled on a rational and reasonable set of procedures—endorsed by the local phone monoplies—that provided incentives to open their local markets while preserving the integrity of the premier communications networks in the world. That approach seemed particularly palatable in light of the statements issued at the time of enactment of the 1996 Act by the local phone companies promising an early opening of the local phone market pursuant to the requirements of the Section 271 checklist.

Today, our communications networks remain the envy of the world and the development of innovative advanced services is accelerating rapidly. Unfortunately, the rollout of those services on a competitive basis to all Americans is being thwarted by the failure of Bell companies to open their markets to competition. Those same monopolists told us their markets would be open months ago. This legislation seeks to hold them to their word.

I ask consent that a summary of the bill be printed in the RECORD.

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

THE TELECOMMUNICATIONS COMPETITION ENFORCEMENT ACT OF 1999

SUMMARY

A Bell Operating Company (BOC) is required to meet the market opening requirements of the section 271 checklist of the Telecommunications Act of 1996 for half of the states in its region by February 8, 2001. The FCC is required to assess a forfeiture penalty of $100,000 for each day a BOC is in violation of this requirement.

A BOC is required to meet the market opening requirements of the section 271 checklist of the Telecommunications Act of 1996 for all the states in its region by February 8, 2003. The FCC is required to order a BOC to divest its telecommunications network facilities within 180 days in which it is in violation of this requirement.

Upon petition by any interested party, the FCC is directed to investigate whether incumbent local exchange carriers (ILEC) with more than 5 percent of the nation's access lines (that are not Bell Companies) have opened their markets to competition pursuant to Section 251(c) of the Telecommunications Act of 1996.

Upon a determination that such ILECs are not in full compliance with Section 251(c), the FCC shall set forth the reasons for noncompliance and grant 60 days for the ILEC to come into full compliance. Absent such compliance after that 60 day period, the FCC is required to assess a civil forfeiture penalty of $50,000 for each day of the continuing violation and order the company to cease and desist in marketing and selling long distance services to new customers.

If upon meeting the checklist requirements, a BOC fails to meet one or more provisions of the checklist, the FCC shall impose a forfeiture of $100,000 for each day of the continuing violation. If upon meeting the checklist requirements, the BOC knowingly, willfully, and repeatedly fails to meet one or more provisions of the checklist, the FCC shall require the BOC, to divest its telecommunications network facilities, within 180 days, in states in which repeated violations have occurred.

JUSTIFICATION

The Telecommunications Act of 1996 required Bell Operating Companies (BOCs) to open their markets to competition. Yet, not a single BOC has met the market opening requirements of the Section 271 checklist. No Section 271 applications have been filed at the FCC since July of 1998. Only five applications have been filed since 1996—none of which complied with Section 271.

In the three years since enactment, however, the BOCs have pursued a strategy of stonewalling and litigation that has delayed implementation of the critical interconnection, unbundling, collocation, and resale requirements of the Act.

Now, BOCs are seeking legislative relief from the pro-competitive provisions of the Telecommunications Act. They argue that they will provide rural America with advanced communications services, but only if they are allowed to provide long distance service to their current customers. The truth is that BOCs can provide advanced services today. However, to get into the long distance market, they must open their local markets to competition. This bill provides an incentive for them to do just that.

By requiring a date certain by which the local phone monopolies must open their markets, and by accompanying that requirement with federal enforcement authority, we can be assured that American consumers will obtain the benefits of local competition.

By Mr. LEAHY (for himself, Mr. DEWINE, and Mr. ROBB):

S. 1314. A bill to establish a grant program to assist State and local law enforcement in deterring, investigating, and prosecuting computer crimes; to the Committee on the Judiciary.

COMPUTER CRIME ENFORCEMENT ACT

Mr. LEAHY. Mr. President, today I rise to introduce the Computer Crime Enforcement Act. This legislation establishes a Department of Justice grant program to support state and local law enforcement officers and prosecutors to prevent, investigate and prosecute computer crime. I am pleased that Senator DEWINE, with whom I worked closely and successfully last year on the Crime Identification Technology Act, and Senator ROBB, who has long been a leader on law enforcement issues, support this bill as original cosponsors.

Computer crime is quickly emerging as one of today's top challenges for state and local law enforcement officials. A recent survey by the FBI and the Computer Security Institute found that 62% of information security professionals reported computer security breaches in the past year. These breaches in computer security resulted in financial losses of more than $120 million from fraud, theft of proprietary information, sabotage, computer viruses and stolen laptops. Computer crime has become a multi-billion dollar problem.

I am proud to report that the States, including my home state of Vermont, are reacting to the increase in computer crime by enacted tough computer crime control laws. For example, Vermont's new law makes certain acts against computers illegal, such as: accessing any computer system or data without permission; accessing a computer to commit fraud, remove, destroy or copy data or deny access to the data; damaging or interfering with the operation of the computer system or data; and stealing or destroying any computer data or system. These state laws establish a firm groundwork for electronic commerce, an increasingly important sector of the Vermont economy and of the nation's economy. Now all fifty states have enacted some type of computer crime statute.

Unfortunately, too many state and local law enforcement agencies are struggling to afford the high cost of enforcing their state computer crime statute. The Computer Crime Enforcement Act would provide a helping hand by authorizing a $25 million grant program to help the states receive Federal funding for improved education, training, enforcement and prosecution of computer crime. Our bill will help states take a byte out of computer crime.

Congress has recognized the importance of providing state and local law enforcement officers with the means necessary to prevent and combat cyber attacks and other computer crime through the FBI's Computer Analysis and Response Team (CART) Program and the National Infrastructure Protection Center. Our legislation would enhance that Federal role by providing each state with much-needed resources to join Federal law enforcement officials in collaborative efforts to fight computer crime.

In Vermont, for instance, only half a dozen law enforcement officers among the more than 900 officers in the state have been trained in investigating computer crimes and analyzing cyber evidence. As Detective Michael Schirling of the Chittenden Unit for Special Investigations recently observed in my home state: ''The bad

guys are using computers at a rate that's exponentially greater than our ability to respond to the problem.'' Without the necessary educational training, technical support, and coordinated information, our law enforcement officials will be hamstrung in their efforts to crack down on computer crime.

Computers have ushered in a new age filled with unlimited potential for good. But the computer age has also ushered in new challenges for our state and local law enforcement officers. Let's provide our state and local partners in crime fighting with the resources that they need in the battle against computer crime.

I urge my colleagues to support the Computer Crime Enforcement Act and its quick passage into law.

Mr. President, I ask unanimous consent that the text of the Computer Crime Enforcement Act be printed in the RECORD.

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

S. 1314

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 ''Computer Crime Enforcement Act''.

SEC. 2. STATE GRANT PROGRAM FOR TRAINING AND PROSECUTION OF COMPUTER CRIMES.

(a) IN GENERAL.—Subject to the availability of amounts provided in advance in appropriations Acts, the Office of Justice Programs shall make a grant to each State, which shall be used by the State, in conjunction with units of local government, State and local courts, other States, or combinations thereof, to—

(1) assist State and local law enforcement in enforcing State and local criminal laws relating to computer crime;

(2) assist State and local law enforcement in educating the public to prevent and identify computer crime;

(3) assist in educating and training State and local law enforcement officers and prosecutors to conduct investigations and forensic analyses of evidence and prosecutions of computer crime;

(4) assist State and local law enforcement officers and prosecutors in acquiring computer and other equipment to conduct investigations and forensic analysis of evidence of computer crimes; and

(5) facilitate and promote the sharing of Federal law enforcement expertise and information about the investigation, analysis, and prosecution of computer crimes with State and local law enforcement officers and prosecutors, including the use of multijurisdictional task forces.

(b) USE OF GRANT AMOUNTS.—Grants under this section may be used to establish and develop programs to—

(1) assist State and local law enforcement in enforcing State and local criminal laws relating to computer crime;

(2) assist State and local law enforcement in educating the public to prevent and identify computer crime;

(3) educate and train State and local law enforcement officers and prosecutors to conduct investigations and forensic analyses of evidence and prosecutions of computer crime;

(4) assist State and local law enforcement officers and prosecutors in acquiring computer and other equipment to conduct investigations and forensic analysis of evidence of computer crimes; and

(5) facilitate and promote the sharing of Federal law enforcement expertise and information about the investigation, analysis, and prosecution of computer crimes with State and local law enforcement officers and prosecutors, including the use of multijurisdictional task forces.

(c) ASSURANCES.—To be eligible to receive a grant under this section, a State shall provide assurances to the Attorney General that the State—

(1) has in effect laws that penalize computer crime, such as penal laws prohibiting—

(A) fraudulent schemes executed by means of a computer system or network;

(B) the unlawful damaging, destroying, altering, deleting, removing of computer software, or data contained in a computer, computer system, computer program, or computer network; or

(C) the unlawful interference with the operation of or denial of access to a computer, computer program, computer system, or computer network;

(2) an assessment of the State and local resource needs, including criminal justice resources being devoted to the investigation and enforcement of computer crime laws; and

(3) a plan for coordinating the programs funded under this section with other federally funded technical assistant and training programs, including directly funded local programs such as the Local Law Enforcement Block Grant program (described under the heading ''Violent Crime Reduction Programs, State and Local Law Enforcement Assistance'' of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119)).

(d) MATCHING FUNDS.—The Federal share of a grant received under this section may not exceed 90 percent of the costs of a program or proposal funded under this section unless the Attorney General waives, wholly or in part, the requirements of this subsection.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2000 through 2003.

(2) LIMITATIONS.—Of the amount made available to carry out this section in any fiscal year not more than 3 percent may be used by the Attorney General for salaries and administrative expenses.

(3) MINIMUM AMOUNT.—Unless all eligible applications submitted by any State or unit of local government within such State for a grant under this section have been funded, such State, together with grantees within the State (other than Indian tribes), shall be allocated in each fiscal year under this section not less than 0.75 percent of the total amount appropriated in the fiscal year for grants pursuant to this section, except that the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands each shall be allocated 0.25 percent.

(f) GRANTS TO INDIAN TRIBES.—Notwithstanding any other provision of this section, the Attorney General may use amounts made available under this section to make grants to Indian tribes for use in accordance with this section.

By Mr. BINGAMAN:

S. 1315. A bill to permit the leasing of oil and gas rights on certain lands held in trust for the Navajo Nation or allotted to a member of the Navajo Nation, in any case in which there is consent from a specified percentage interest in the parcel of land under consideration for lease; to the Committee on Indian Affairs.

FRACTIONATED LANDS

Mr. BINGAMAN. Mr. President, I rise to talk about a bill that I have sent to the desk. It relates to a very serious problem faced by a large number of Navajo people in my State. The issue is referred to as ''fractionated lands.''

Around the turn of the century, the Federal Government attempted to force Indian people to assimilate by breaking up traditional tribal lands and allotting parcels of the land to individual tribal members. In New Mexico, this policy created what is known as the ''checkerboard,'' because alternating tracts of land are now owned by individual Navajos, the state, the federal government, or private landowners. A Navajo allotment was generally 160 acres. Under the allotment system, the Navajo owner was granted an undivided interest in the entire parcel. The heirs of the original owner also inherit an undivided interest, geometrically compounding—or fractionating—the number of owners of the original 160 acres.

This allotment policy, coupled with other federal laws governing Indian land ownership, land management, and probate, have not served the Navajo people well during this century. I am introducing legislation today to help address this problem.

Mr. President, I'd like to take a few minutes to illustrate why the legislation I am proposing is needed. If a Navajo was allotted a 160-acre parcel and had four heirs, the heirs did not inherit 40 acres each when the original owner died. Rather, each heir inherited a 25 percent undivided interest in the full 160-acre allotment. Going forward, when the current four owners died, assuming again four heirs each, sixteen heirs inherited a 6.25 percent undivided interest in the allotment. The next generation would result in 64 heirs each with a 1.5625 percent undivided interest. And so forth.

What makes this situation so unique is that each heir inherits an undivided interest in the allotment. Over time, individual owners may inherit tiny fractions in many different allotments around the reservation. In my state, there are about 4,000 individual allotments covering nearly 700,000 acres. At this point, these 4,000 Navajo allotments have a total of 40,000 listed owners, and the number grows every day. It doesn't take a Ph.D. in math to figure out what's wrong with this policy.

Mr. President, in April I held a town meeting with Navajo allottees in

Nageezi, New Mexico, a small chapter house in the Northeast section of the Navajo Reservation. The allottees talked about the serious problems that fractionated ownership has caused. Over 100 members of the Navajo Nation came from as far away as Aneth, Utah, to speak at the meeting. As you know, the Navajo Nation extends into three states, New Mexico, Arizona and Utah, and there are allottees living in all three states.

Record keeping of individual land ownership has become a nightmare. In many cases, owners can no longer be located. Also, ownership can be clouded when an owner dies without a legal will—a common situation in Indian Country.

Some individuals do not even realize they own one or more of these allotments. Often, individuals are surprised to find out that they are an heir to an allotment on another reservation.

Mr. President, we all recognize there are serious problems with BIA's management of its trust responsibilities for allotted lands in New Mexico. The management problems were brought out very clearly at a joint Senate hearing in March. The hearing also revealed the extent to which the government's allotment policy contributed to BIA's current trust management problems.

On the Navajo reservation, a three-year pilot project is underway in Farmington, New Mexico, to try to unravel some of the management problems with allotted Navajo lands. This project, called the Farmington Indian Minerals Office, or FIMO, is trying to cut through the red tape created by three different Bureaus in the Department of Interior, BIA, BLM, and MMS, which share responsibility for management of allotted lands. The FIMO has worked hard to assist Navajo allottees determine who their fellow allottees are and what land each allottee owns. I support the efforts of FIMO. If this legislation is passed, FIMO could accomplish even more on behalf of the Navajo allottees in the three states.

Mr. President, over the years, Congress has tried to deal with the problem of fractionated lands, and has failed every time. The long history of trust management problems is not going to be corrected quickly. Developing and implementing a comprehensive solution is going to take time. The Indian Land Working Group is one of the leaders in this area and has submitted a proposal for Congress to consider. I applaud the efforts of Senators CAMPBELL and INOUYE and the members of the Indian Affairs Committee for taking on this difficult issue. Some of the proposals include improved record keeping, probate and estate planning programs, and new processes for consolidating fractionated lands. I look forward to working with the Committee to craft a comprehensive solution.

While the larger issue of fractionated ownership is being considered by the Senate, I believe it is appropriate to consider a stop-gap measure to help stimulate near-term economic development on fractionated Navajo lands. There is an abundance of oil and gas beneath the Navajo allotments, yet the allottees are unable to benefit from this wealth because of federal laws that make it very difficult for Indian allottees to lease their land. To illustrate, during the last 12 years, $7 million in leasing bonuses has been paid to the state and federal government for leases in the checkerboard region of New Mexico, while only $27,000 has been paid to owners of Navajo allotments.

The problem lies in the 1909 Mineral Leasing Act. The Act requires all persons who have an undivided interest in any particular parcel to consent to its lease. In the case of Navajo allottees, 100 percent of the allottees must consent to a lease of their land. Because of the fractionated land problem, obtaining 100 percent consent is often impossible because many owners cannot be located. Consequently, the Navajo allottees are precluded from the beneficial use of their land.

The bill I am introducing today will facilitate the leasing of Navajo allotted land for oil and gas development. In the case of non-Indians, most states already allow mineral leases with less than 100 percent consent of the owners as long as all persons who own an interest receive the benefits from the lease. My bill simply extends similar benefits to Navajo allottees. The bill would authorize the Secretary of the Interior to approve an oil or gas lease connected to Navajo allotted land when less than 100 percent of the owners consent to such a lease. A similar bill was passed in the 105th Congress to facilitate mineral leasing of allotted lands on the Ft. Berthold Reservation in North Dakota.

My bill proposes a graded system for lease approval. In situations where there are 10 or fewer owners of an allotment, 100 percent of the owners must consent to a lease. However, where there exists 11 to 50 owners of an allotment, only 80 percent of the owners need consent. And, with more than 50 owners, 60 percent consent would be required. This graded system was suggested by the Navajo allottees.

Mr. President, unemployment on the Navajo Reservation now exceeds 50 percent. The opportunities for economic development on this land are few. It is not appropriate for the federal government to continue to deprive the legal owners of Navajo allotted lands the option to develop their land as they choose. This bill is a small step toward correcting the mistakes of the past and a bigger step towards providing economic prosperity for future generations of Navajo allottees.

The bill has the support of the Navajo Nation and the Shii Shi Keyah, the principal Navajo Allottees' Association.

Mr. President, I ask unanimous consent that a resolution from the Shii Shi Keyah Association and a letter from the Navajo Nation be printed in the RECORD.

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

SHII SHI KEYAH ASSOCIATION RESOLUTION OF THE BOARD OF DIRECTORS

Whereas, the Board of Directors of Shii Shi Keyah Association (''SSKA''), an unincorporated association of Navajos who have ownership interests in allotments on or near the Navajo Reservation, generally referred to as Navajo Indian Country, has considered a number of issues relating to oil and gas rights and revenues which require its attention;

Whereas, United States Senator Jeff Bingaman will introduce in the 106th Congress, 1st Session, a bill which begins ''To permit the leasing of oil and gas rights on certain lands in New Mexico held in trust for the Navajo Tribe or allotted to a member of the Navajo Tribe, in any case in which there is consent from a specified percentage interest in the parcel of land under consideration for issue;''

Be it Resolved that SSKA will support Senator Bingaman's bill if it is amended to include the states of Utah and Arizona.

CERTIFICATION

The foregoing Resolution was adopted by the Board of Directors of Shii Shi Keyah Association of Bloomfield, NM with no votes against and no abstentions at a regular meeting of the Board held on June 4, 1999.

THE NAVAJO NATION,
Washington, DC, May 18, 1999.

Re: Proposed Bill to Permit the Leasing of Oil and Gas Rights on Certain Lands in New Mexico Held in Trust for the Navajo Tribe or Allotted to a Member of the Navajo Tribe, in any Case in which There Is Consent from a Specified Percentage Interest in the Parcel of Land under Consideration for Lease

Hon. JEFF BINGAMAN,
U.S. Senate,
Hart Senate Office Building, Washington, DC.

SENATOR BINGAMAN: Thank you for scheduling the April 8, 1999 meeting at the Nageezi Chapter. The Navajo Nation appreciates your interest in the problems faced by Navajo people regarding their allotted lands in northwestern New Mexico.

The Navajo Nation supports your efforts toward solving the problems engendered by increasingly fractionated interests held by Navajo individuals in allotted lands. We support the intent of the bill, provided that it is supported by a consensus of Navajo individuals that will be affected. In addition, we can support most of the particulars of the bill, although the Navajo Nation would request some minor revisions to the bill before it is introduced, as explained below.

Initially, we are concerned whether a consensus of affected Navajo individuals support the proposed bill. The Navajo Nation is concerned that the Shii Shi Keyah Association apparently opposes the bill, as indicated in a letter to you dated March 11, 1999 from the Association's attorney, Alan R. Taradash, copy attached. We understand that the Shii Shi Keyah Association is a respected organization comprised of Navajo individuals numbering in the thousands.

The approach suggested by Mr. Taradash, the conveyance of fractionated interests into family trusts, appears to have much to commend it. However, we are not sure that the family trust approach and the approach reflected in the proposed bill are mutually exclusive. The Navajo Nation respectfully requests that your office continue to work with affected Navajo individuals to assure that the bill reflects the best approach or combination of approaches to solve the problems facing those individuals. The Navajo Nation would be happy to work with your office in this regard, and stands ready to provide any assistance your office may need.

In addition, the Navajo Nation is very concerned with the effect of section 1(b)(3)(A) of the proposed legislation, which would appear to make the Navajo Nation a party to any lease of oil and gas rights in allotted lands in which it might own a minority interest. While the Navajo Nation has no objection to any minority interest it might hold being leased in accordance with the provisions of the bill, if that is the approach that a consensus of affected Navajo individuals support, the Navajo Nation must opposed being made a party to any such lease. The Navajo Nation has very deliberate policies and requirements regarding terms and conditions in leases to which it is a party. In the present judicial climate, lease terms and conditions can have a profound effect on the sovereignty of an Indian nation. Therefore, we must respectfully request that section 1(b)(3) of the bill be changed to read in its entirety as follows:

''(3) EFFECT OF APPROVAL.—On approval by the Secretary under paragraph (1), an oil or gas lease or agreement shall be binding upon each of the beneficial owners that have consented in writing to the lease or agreement and upon all other parties to the lease or agreement and shall be binding upon the entire undivided interest in a Navajo Indian allotted land covered under the lease or agreement.''

Finally, the Navajo Nation respectfully requests that all references to the ''Navajo Tribe'' be changed to refer to the ''Navajo Nation,'' and that the reference be deleted in section 1(a)(3) to the Navajo Nation as ''including the Alamo, Ramah and Cañoncito bands of Navajo Indians.'' The Term ''Navajo Nation'' is the legal name of the Navajo Nation, and by Navajo Nation statute is preferred over the term ''Navajo Tribe.'' We must object to the reference to the three bands (but not others) because of the possible negative inference that there exists some ambiguity as to whether such bands are constituent parts of the Navajo Nation. There is no such ambiguity now, and we wish to avoid creating any. The reference can safely be deleted without causing any uncertainty in the definition.

Unfortunately, fractionated interests remains a significant problem within the Navajo Nation, as we understand it is also within our Indian nations. The Navajo Nation would like to work your office and with other members of Congress on comprehensive, long-term solution to this problem. If you have any questions, or need additional information, please contact the Navajo Nation Washington Office.

Sincerely,

ESTELLE J. BOWMAN,
Executive Director.

By Mr. AKAKA (for himself, Mr. MOYNIHAN, Mrs. FEINSTEIN, Mr. WELLSTONE, Mrs. MURRAY, and Mr. LAUTENBERG):

S. 1317. A bill to reauthorize the Welfare-to-Work program to provide additional resources and flexibility to improve the administration of the program; to the Committee on Finance.

WELFARE-TO-WORK AMENDMENTS OF 1999

Mr. AKAKA. Mr. President, I rise to introduce a bill that would continue a program vital to helping welfare recipients who face the greatest barriers to finding and securing employment, called the Welfare-to-Work Amendments of 1999. My bill targets resources to families and communities with the greatest need, simplifies eligibility criteria for participation, and helps noncustodial parents get jobs to enable them to make child support payments. It also opens more resources to Native Americans, the homeless, those with disabilities or substance abuse problems, and victims of domestic violence. This is similar to a proposal unveiled by the Clinton Administration earlier this year and introduced as H.R. 1482 by Representative BENJAMIN CARDIN of Maryland. I would also like to thank my colleagues Senators MOYNIHAN, FEINSTEIN, WELLSTONE, MURRAY, and LAUTENBERG for joining me as original cosponsors of my bill.

Mr. President, I ask unanimous consent that a letter which I received from the Secretary of Labor, Alexis Herman, be printed in the RECORD.

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

SECRETARY OF LABOR,
Washington, July 1, 1999.

Hon. DANIEL K. AKAKA,
U.S. Senate,
Washington, DC.

DEAR SENATOR AKAKA: I congratulate you on the introduction of the ''Welfare-to-Work Amendments of 1999.'' I am pleased that your legislation joins that introduced by Rep. Benjamin Cardin earlier this year in the House in seeking to accomplish the Administration's objectives in reauthorizing the Welfare-to-Work (WtW) Grants Program. President Clinton and I believe the Welfare-to-Work Grants Program is a key component of the overall welfare reform effort. While welfare caseloads have declined by nearly half over the last six years, many individuals remaining on welfare are long-term recipients who face significant barriers to employment. As the President said in his April 10th radio address, ''We can't finish the job of welfare reform without doing more to help people who have the hardest time moving from welfare to work—those who live in the poorest neighborhoods and have the poorest job skills. That's why I call on Congress to pass my plan to extend the Department of Labor's Welfare-to-Work program.''

This legislation incorporates the President's proposal to extend the WtW Program, reflecting key suggestions the Administration has received from State and local service providers since the passage of the Balanced Budget Act of 1997. The WtW program funds job creation, job placement, and job retention efforts to help long-term welfare recipients and non-custodial parents move into lasting, unsubsidized employment. In addition to helping long-term welfare recipients make the transition from welfare to work, this bill will help more low-income fathers increase their employment and their involvement with their children. Demand for WtW has been great. Last year, over 1,400 applicants from local communities across the nation applied for more than $5 billion in WtW Competitive Grants, but DOL had sufficient resources to fund less than 10 percent of these projects. In addition, 44 states covering 95 percent of the welfare caseload applied for formula funds. While the fundamental principles and features of the program are maintained (including the focus on work, targeting resources to individuals and communities with the greatest need, and administration through the locally administered, business-led workforce investment system) we are also pleased to see the principles of the original legislation further carried out by the addition of the following enhancements:

A simplification of eligibility criteria which continues to focus on long-term welfare recipients but provides that at least one, rather than two, specified barriers to employment must be met.

The provisions of even greater flexibility to serve those with the greatest challenges to employment by the addition of long-term welfare recipients who are victims of domestic violence, individuals with disabilities, or homeless as eligible to participate.

A strong focus on the family by targeting at least 20 percent of the WtW Formula Grant funds to help noncustodial parents (mainly fathers) with children who are on or have exhausted Temporary Assistance to Needy Families fulfill their responsibilities to their children by committing to work and pay child support.

An increase in the reserve for grants to Indian tribes from the current 1 percent of the total to 3 percent, and an authorization for Indian tribes to apply directly to the Department of Labor for WtW Competitive Grants.

A procedure which allows unallotted formula funds to be used to award competitive grants in the subsequent year, providing a preference in awarding these funds to those local applicants and tribes from States that did not receive formula grants.

The development of streamlined reporting requirements through the Department of Labor.

The establishment of a one percent reserve of Fiscal Year 2000 funds for technical assistance which includes sharing of innovative and promising practices and strategies for serving noncustodial parents.

In addition to the changes proposed by the Administration, the legislation also provides for:

The inclusion of children aging out of foster care as eligible service recipients and

The addition of job skills training and vocational educational training.

While our welfare reform efforts have resulted in some important early successes, much remains to be done. Reauthorizing the WtW program, together with the Administration's proposals to provide welfare-to-work housing vouchers, transportation funds, and employer tax credits, will provide parents the tools they need to support their children and succeed in the workforce. Your introduction of the ''Welfare-to-Work Amendments of 1999'' provides significant opportunities to hard-to-employ welfare recipients to make the transition to stable employment and assist noncustodial parents in making meaningful contributions to their children's well-being. I applaud and support your efforts.

The Office of Management and Budget advises that it has no objection to the transmittal of this report from the standpoint of the Administration's program.

Sincerely,

Alexis M. Herman.

Mr. AKAKA. Mr. President, I quote from that letter to me.

President Clinton and I believe the Welfare-to-Work Grants Program is a key component of the overall welfare reform efforts.

Mr. President, the Welfare-to-Work program has helped numerous welfare parents—both custodial and non-custodial—find and keep jobs that pay a living wage and allow them to fulfill basic obligations to their children. Children have fundamental needs for food, shelter, and clothing, yet many parents find themselves barely scraping by, in order to obtain these things. Many families are unable to go much beyond the essentials to enroll their children in sports and other activities that build strong bodies and social skills, or to provide them with decent school supplies, books or computers to develop strong minds. Most families take these things for granted because they live without the anxiety of wondering when the next paycheck or child support payment might be coming in. They have the finances to pay for child care to enable parents to work during the day. They have cars or other access to transportation that will take them to work every morning. Or they have a telephone so that they may receive calls for job interviews. The families that cannot make ends meet continue to live in dire need and find their children living at risk.

Mr. President, 14.5 million American children live in poverty. Furthermore, as reported in Kids Count 1999, 32 percent of children do not live with two parents and 19 percent live in a home where the head of household is a high school dropout. Twenty-one percent of children are in families with incomes below the poverty line, 28 percent are living with a parent or parents lacking steady full-time employment, and 15 percent do not have health insurance. It is a shame that, in the most prosperous nation in the world, we continue to be faced with these dismal statistics for our children—young Americans who hold the promise of this country's future in their hands.

Many of these children were helped when the Balanced Budget Act of 1997 created the Welfare-to-Work program as a new system for providing assistance to welfare recipients most in need. This followed on the heels of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which replaced the Aid to Families with Dependent Children cash assistance program with the Temporary Assistance for Needy Families (TANF) program.

The 1996 welfare reform law addressed the bulk of the welfare population but lacked a component to help the hardest to employ welfare recipients. Thus, Welfare-to-Work was passed to assist this population find jobs and achieve independence so they no longer would need public support. The Welfare-to-Work program became an essential component of the Administration's welfare reform effort by providing recipients with a good alternative to welfare.

Since 1996, the number of people in the system dropped by a record number: forty percent from a peak of about five million families in 1994 down to three million families as of June, 1998, according to the General Accounting Office. However, the job is not finished. Welfare-to-Work is needed now more than ever because those remaining on the rolls are increasing likely to have multiple barriers to employment such as poor work experience, inadequate English or computer skills, or substance abuse problems.

We need to invest much more to help these individuals reach self-sufficiency than we did in those who have already left welfare-these individuals might have already had an educational record, special skills or significant family support behind them to help them to their feet. In contrast, Welfare-to-Work participants are the welfare recipients who need the most help. In addition, extending Welfare-to-Work will become even more important when TANF recipients and their children reach welfare time limits in 19 states by year's end and have their benefits reduced or completely removed.

These are the hard luck cases, Mr. President. These are the people who continue to be left out of the economic boom of the 1990s. And these are the people whom Welfare-to-Work was designed to help. If we let the program expire this year, even if states have three years from the date of award to spend their program funds, we will be saying to these people, ''We've forgotten the promises we made to you in 1996 that we would continue to help you. Now, there is no more help for you.''

This would be particularly harmful in my state of Hawaii which has struggled due to the Asian financial crisis and has been the only state where welfare rolls have increased. Welfare-to-Work has assisted many of Hawaii's welfare recipients through this period of financial hardship for the state by helping them find unsubsidized employment. The program must be extended so that it may help other recipients and their families in my beleaguered state.

My bill not only extends the Welfare-to-Work program, but it also makes a number of important improvements to the program that states, counties, and cities have requested. Currently, most funds allocated to Welfare-to-Work state formula grants cannot be used because of eligibility criteria that are difficult to meet. Currently, an individual must have been receiving assistance for at least 30 months or must be within 12 months of reaching the maximum period for assistance. In addition, they must have two of three characteristics, including: lacks a high school diploma or GED and has low math or reading skills; has a poor work history; or requires substance abuse treatment for employment. These criteria have excluded many TANF applicants who, for instance, may have a GED or high school diploma but still cannot read; these criteria have proven unrealistic.

Instead, under my bill, criteria would be changed to require participants to have one out of seven characteristics: lacks a high school diploma or GED; has English reading writing, or computer skills at or below the 8th grade level; has a poor work history; requires substance abuse treatment for employment; is homeless; has a disability; or is a victim of domestic violence. This revision in eligibility criteria would allow the program to better match the participant pool. It is necessary because current criteria have left more than 90 percent of Welfare-to-Work state formula grants unspent. In Hawaii alone, only 37 percent of our TANF recipients have been eligible to participate in the program, and this figure would double under my bill. Furthermore, officials of the Hawaii Department of Human Services which administers TANF and Welfare-to-Work in my state predict that unless the Federal law is changed, it is unlikely that they will be able to refer clients in sufficient numbers to meet WtW expectations. Similar situations exist in all states, and these criteria revisions respond to State and local entities that have been doing the work of Welfare-to-Work and want to serve as many participants as possible. In Texas, 21,000 people would be able to participate in the program, according to the U.S. Department of Labor. Under my bill, figures like this could be seen across the nation, and more people in need would be able to find employment.

A related improvement contained in my bill is that it transfers any unallocated Welfare-to-Work formula grant funds into the competitive grant program. This competitive grant program has been tremendously popular.

Out of the 1400 applications submitted requesting a total of $5 billion, only 126 applications for $470 million in funds were awarded in FY 1998. This portion of Welfare-to-Work needs more funding. Under my bill, preference is given to grant applications submitted from states that did not receive a formula grant.

Mr. President, my bill also provides a re-emphasis on the whole family. This past Father's Day, I had the opportunity to celebrate with several of my

children and their families, as it was a day to celebrate and honor the family. However, many fathers were not as fortunate as myself and were not able to celebrate with their children because they went through divorce and did not receive custody of the children. Even worse, many of these fathers are dismissively labeled ''dead beat dads'' because they are not a presence in their children's lives and do not pay child support. What we have found, Mr. President, is that many of these fathers do not want to abandon their children. Rather, they are ''dead broke dads'' and face the same barriers to finding and holding employment that many welfare mothers do. This prevents them from fulfilling child support obligations, which many want to do. If these fathers can provide for their children, they will be more likely to see them more often. Hopefully, renewed financial and emotional involvement of fathers will mean that these children's lives will improve.

For these non-custodial fathers, my bill will make it easier for them to participate in Welfare-to-Work. Currently, non-custodial parents face the same problems in attempting to qualify for Welfare-to-Work as other applicants because of the same overly-restrictive criteria. Under my bill, the eligibility requirements for non-custodial parents will be revised to allow them to demonstrate that they are unemployed, underemployed, or having difficulty paying child support payments. In addition, at least one of the following characteristics must apply to the minor child or non-custodial parent: the child or non-custodial parent has been on public assistance for over 30 months, or is within 12 months of becoming ineligible for TANF due to a time limit; the child is receiving or eligible for TANF; the child has left TANF within the past year; or the child is receiving or is eligible for food stamps, Supplemental Security Income (SSI), Medicaid, or the Children's Health Improvement Program (CHIP).

The bill increases funding for non-custodial parents by requiring that at least 20 percent of state formula funds be used for this population. The bill also provides that a non-custodial parent will enter into an individual responsibility contract with the service provider and state agency to say that he or she will cooperate in the establishment of paternity and in the establishment or modification of a child support order, make regular child support payments, and find and hold a job. These revisions are an attempt to permit and encourage non-custodial parents to provide for their children, become more involved in their children's lives, and pursue better lives for themselves and their families.

Mr. President, Native American communities will benefit from my bill from a doubling of the Native American set-aside from $15 million to $30 million. This funding increase in necessary because Native Americans currently receive one percent of the total Welfare-to-Work funds but serve 3.2 percent of total program participants, according to a recent U.S. Department of Health and Human Services Welfare-to-Work Evaluation. In recognition of their sovereignty, the bill also provides Native American tribes with flexibility in designing programs that are effective for their territories. It is a gross understatement to say that our Native American communities have not had the chance to experience the economic success that our nation has been enjoying. We must do what we can to make up for this shortfall, fulfill our Federal responsibilities to Native Americans, and help families and children in Native American communities who face obstacles to self-sufficiency.

Mr. President, children who leave foster care at age 18 make up another hard-to-help population that faces numerous barriers to employment. My bill introduces new support for these individuals when they attempt to start out on their own by allowing them to take advantage of Welfare-to-Work programs. According to DOL, 20,000 children leave foster care annually. Of these, 32 to 40 percent receive some type of government assistance within the first 18 months after leaving the foster care system. This bill provides funds to help them find alternatives to welfare as they leave their state care system.

My bill simplifies Welfare-to-Work reporting requirements so that the program can be evaluated effectively. This evaluation will allow Congress and DOL access to better statistics on how the program is performing nationwide. In addition, one-percent of the funds are provided for technical assistance so that DOL can ensure cooperation between states, local governments, TANF and child support agencies, and community-based organizations so that all are able to work together and be better able to provide services to those who are in need.

Finally, the bill eases Welfare-to-Work's ''work first'' requirements that mean that TANF recipients must find jobs first, before they are able to take advantage of stand-alone programs such as job training, basic education or vocational education programs. My bill would designate these as allowable work activities under Welfare-to-Work. This change is in response to requests from states who want to use program funds to better prepare recipients for the workforce before sending them off to a job. This approach seeks to improve TANF recipients' chances at maintaining steady employment.

Although my colleagues may have disagreed on welfare reform in the past, Welfare-to-Work is a program that all should be able to support. It represents a Federal-state-local partnership, as well as a partnership between government, private industry, and community-based organizations. It encourages people to take responsibility for themselves, find work, and contribute to their families and society in a meaningful way. We cannot abandon these welfare recipients who are the most difficult to employ and must instead invest in them in a way that will help them find jobs paying a living wage, become self-sufficient, and allow them to break out of the cycle of dependency on public assistance.

I would again like to thank my colleagues Senators MOYNIHAN, FEINSTEIN, WELLSTONE, MURRAY, and LAUTENBERG for joining me as original cosponsors of my bill, and I urge other colleagues to join us in supporting this important Welfare-to-Work reauthorization bill.

By Mr. JEFFORDS (for himself, Mr. KERRY, Mr. GRAMS, Mr. SARBANES, and Mr. WELLSTONE):

S. 1318. A bill to authorize the Secretary of Housing and Urban Development to award grants to States to supplement State and local assistance for the preservation and promotion of affordable housing opportunities for low-income families; to the Committee on Banking, Housing, and Urban Affairs.

AFFORDABLE HOUSING PRESERVATION ACT OF 1999

• Mr. JEFFORDS. Mr. President, today I am pleased to introduce with Senator KERRY, Senator GRAMS, AND SENATOR WELLSTONE the Affordable Housing Preservation Act of 1999.

My work on this bill began several weeks ago out of discussions with Vermont housing advocates and private section 8 property owners, and as well as with Senator ALLARD, Senator GRAMS and Senator GRAMM during consideration of the Financial Modernization bill. We all acknowledge that this issue has rapidly become a serious national problem—one where thousands of low income elderly, disabled, and families with children are increasingly unable to afford privately-owned low income housing units.

Housing and Urban Development Secretary Andrew Cuomo and Commissioner Apgar recently took the step of exercising authority provided by Congress to use additional vouchers to stem the tide of Section 8 opt outs and prepayments. The Affordable Housing Preservation Act will provide a more permanent solution to this crisis.

The Jeffords/Kerry Affordable Housing Preservation Act will provide a longterm solution by building on local partnerships between non-profits, state and local governments, and private landlords to keep existing projects available for low income tenants. The bill preserves existing low income projects, as well as increase the units to expand a tight housing marketplace

through new acquisition and rehabilitation.

In Vermont rents have increased 11 percent over the past three years, making it increasingly difficult to find affordable shelter. To make matters worse, the lack of low income housing makes it simply impossible to find a place to live in areas like Burlington, where the vacancy rate is less than one percent.

The need to preserve existing housing from opt outs and prepayments is only exceeded by the need to expand the number of housing units for low-income families, elderly and disabled. The affect of more Section 8 vouchers is undermined when there is nowhere to use them. On any given day in Burlington there are just 60 available rental units in a city of more than 40,000 people.

In such circumstances, low income families cannot even find a place to live, much less find one that's affordable. This problem has been a key factor in increasing homelessness, as families seeking help from Burlington's emergency shelter rose over 60 percent between 1997 and 1998.

As Section 8 federal subsidies come up for renewal more often, the risk of opt outs by private landlords increases. Housing projects in Brattleboro and Montpelier currently face opt out situations where landlords will raise rents to levels that Section 8 tenants cannot afford.

The Affordable Housing Preservation Act will build foundations for cooperation where efforts to raise public and private money are enhanced through federal matching grants. Vermont's community based non-profit organizations have achieved much success by encouraging private landlords seeking to exit the affordable housing business to transfer ownership to these groups.

Although ''sticky vouchers'' provide much needed short term relief, the Affordable Housing Preservation Act offers a long term solution to the opt out and prepayment problem by expanding community-based housing preservation and acquisition initiatives. This bill will give hope by providing help for those elderly, disabled, and families facing eviction or homelessness.

I look forward to working with the Chairmen and Members of the Housing Committees in the Senate and House to fix this problem and provide a new direction for the nation in affordable housing.●

● Mr. KERREY. Mr. President, I am pleased to have worked with Senator JEFFORDS to draft the legislation we are introducing today, the Affordable Housing Preservation Act of 1999. The legislation will establish a matching grant program that provides money to states and localities that are willing to put up some of their own funds for the purposes of preserving affordable housing. In order to receive a grant under this program, the owner would have to commit to maintaining the existing affordability restrictions for a minimum of 15 years.

In addition, the legislation will encourage transfer of ownership of these properties to non-profit housing corporations that work closely with residents. We believe that non-profit ownership will, in the long run, ensure the maximum possible commitment to affordability at the lowest possible cost. The current ownership structure for assisted housing constantly puts us in this bind of having to provide more and more money just to keep what we have already built and paid for. With non-profits, we will not face the constant dilemma of opt-outs, prepayments or expiring affordability restrictions. Nonetheless, private owners who want to continue to provide affordable housing will be eligible under this bill.

I appreciate the efforts of Senator JEFFORDS in facing this problem head-on. We are facing an increasing crisis in affordable housing. Ironically, this crisis worsens as the strong economy pushes rents ever higher, out of the reach of many working Americans and the poor. This legislation will help us preserve this crucial affordable housing resource.

In the long run, however, preservation of affordable housing, while necessary, won't solve the problem facing millions of American families. The real problem in many cities around the country is that there is not enough production of new housing. We need to find ways to fund the construction of new, affordable, multifamily housing for low income and working families, and we need to fund the 100,000 additional vouchers we authorized in last year's public housing bill. This is not just a poor person's issue. In many states around the country—Massachusetts, Nevada, New York, Connecticut, New Jersey, Alaska, and others—a family would need to work as many as three full time jobs at $7 per hour, well above the minimum wage, just to afford the rent on a typical 2 bedroom apartment. This is unsustainable economically, and it is simply not fair.

In sum, Mr. President, the Jeffords-Kerry bill builds effectively on efforts HUD is taking to save existing housing stock. Now, we need to provide the funding to make sure these efforts can move forward, as we consider longer term solutions in the months ahead.●

By Mr. BOND:

S. 1319. A bill to authorize the Secretary of Housing and Urban Development to renew project-based contracts for assistance under section 8 of the United States Housing Act of 1937 at up to market rent levels, in order to preserve these projects as affordable low-income housing, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SAVE MY HOME ACT OF 1999

● Mr. BOND. Mr. President, I stand before you today to introduce the Save My Home Act of 1999. This legislation is intended to provide a blueprint for HUD to address the problem of owners opting out of the section 8 program by not renewing their section 8 project-based contracts. This is a housing crisis. In my state of Missouri alone, section 8 contracts on over 23,000 units will expire over the next 5 years. Nationwide, section 8 contracts on over 14,000 multifamily housing projects with over 1 million units will expire over the same period of time.

The ''Save My Home Act of 1999'' will restate and reemphasize the need for HUD to use its best efforts to renew all expiring section 8 project-based contracts. The bill also provides new authority for section 8 enhanced or ''sticky'' vouchers to ensure that families in housing for which owners do not renew their section 8 contracts will be able to continue to live in their housing with the Federal government picking up the additional rental costs of the unit. The use of sticky vouchers is intended as a last resort. HUD must push for the renewal of the section 8 project-based contracts first. The bill also focuses on appraisals so that the cost of this housing reflects the true market value of the rental units. This has been a huge problem and will continue to be a problem until HUD develops the capacity and expertise to appraise adequately these multifamily housing projects.

This legislation is needed because HUD has, until recently, refused to renew section 8 project-based contracts at market levels. In response to this policy, many owners of this housing have refused to renew their section 8 contracts and the housing has been converted to market rate housing and lost as affordable, low-income housing inventory. This means that the assisted low-income families in this housing often have to move because the new rents will be too high for the section 8 rental subsidies. This is a huge problem, especially for the elderly and for persons with disabilities who have come to see this housing as their homes.

And this has become a crisis. For example, according to the National Housing Trust, during 1998 alone, owners of 219 properties with some 25,488 units section 8 units voluntarily opted out of receiving federal rental subsidies under the section 8 project-based program. Moreover, it has been estimated that we are losing another 3,000 section 8 units a month because of HUD's inaction. I wish we had better numbers but HUD is not providing us or the housing advocates with this information, and it is not clear that HUD even has this information.

However, I do want to be clear about the parameters of section 8 opt-out crisis. HUD currently has the legal authority to renew expiring section 8 contracts at the market rent, but has failed to implement this authority. Congress in the Multifamily Assisted Housing Reform and Affordability Act of 1997, as enacted on October 27, 1997 in the VA/HUD FY 1998 Appropriations bill, provided HUD with the authority to renew section 8 contracts up to the rental market level. This was almost 2 years ago, and HUD has only announced recently a renewal policy that it has not yet been able to implement. And despite press releases to the contrary, I am not convinced that HUD intends to renew these contracts except with an additional push from the Congress.

I also want to be clear about funding. HUD has enough funds to pay for section 8 contract renewals, even though HUD would have you believe otherwise. In particular, HUD has at least $2 billion in the Housing Certificate fund in excess of what is needed for renewing all expiring section 8 contracts this year. Instead of committing any of these funds for the renewal of section 8 project-based contracts, HUD has dedicated these funds as part of its FY 2000 budget for general section 8 contract renewals. Nevertheless, this money is available now and can be used to renew these expiring section 8 contracts. The real problem is that HUD does not have the ''will'' or ''commitment'' to fund these contracts. In fact, the biggest problem is commitment because you cannot legislate commitment. We need to find a way to make HUD renew these section 8 project-based contracts.

HUD's lack of commitment to section 8 project-based housing has been a problem through this Administration. From the start, both HUD and the Administration have had a stated policy of opposing section 8 project-based assistance in favor of vouchers. And this is true whether we are talking about elderly housing, housing for persons with disabilities, or housing that is located in very low vacancy areas, such as rural areas where there is no available housing or high-cost urban areas like Boston and San Francisco. This has been a problem in the past with the Section 202 program and with the Mark-to-Market inventory.

One final point is that I know there is interest in both the House and Senate in funding a grant program to assist in the sale of section 8 projects to nonprofits and tenant groups. While I support the concept of selling section 8 projects to nonprofits and tenant groups, I am troubled by the thought of buying projects that the Federal Government has already paid for several times over. This program sounds like another reiteration of the preservation program which we misguidedly funded over several years through the VA/HUD Appropriations Subcommittee, resulting in fraud and abuse as we vastly overpaid the value of these projects when we could have been using those funds for more fiscally responsible, affordable housing purposes.

I look forward to working with interested Members of Congress on these very important issues.●

By Mr. CRAIG:

S. 1320. A bill to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands and for other purposes; to the Committee on Energy and Natural Resources.

PUBLIC LANDS PLANNING AND MANAGEMENT IMPROVEMENT ACT OF 1999

Mr. CRAIG. Mr. President, the bill I am introducing today represents a significant modification of S. 1253, which I introduced in the last Congress. This effort represents a large body of work—both oversight and legislative—to modernize the laws governing our stewardship over federally-owned, multiple-use lands.

For those of you who have just tuned in, this bill is the result of 15 oversight hearings that my Subcommittee on Forests and Public Land Management held during the 104th Congress. These hearings involved over 200 witnesses, representing all points of view, and reviewing all aspects of the management of the Forest Service and Bureau of Land Management lands. The overwhelming conclusion from all of these witnesses—developers and environmentalists alike, public and private sector employees alike—was that the statutes governing federal land management—the 1976 Federal Land and Policy Management Act and the 1976 National Forest Management Act—are antiquated, and in need of updating. These statutes were passed by Congress in the mid-1970s to help solve land management problems. Today, they are a large part of the problem.

I look at laws as ''tools'' for use by professional land managers and resource scientists that help establish priorities and make management decisions. These two tools are as antiquated as the slide-rule and computer punch cards that were the tools used by land managers at the time that these statutes were passed.

As a consequence of this oversight review during the 104th Congress, and subsequent oversight hearings since, I drafted S. 1253 and circulated it at the outset of the 105th Congress. That draft, and the subsequently-introduced bill were, in turn, the subject of six informal workshops and another eight formal, legislative hearings to review the concepts embodied in both the first draft and the introduced version of S. 1253. The ideas that emanated from the oversight hearings were modified to reflect the suggestions of witnesses, and in recognition of how resource management problems have subsequently evolved.

Also, during the course of the last eighteen months, we have held additional hearings, reviewed subsequent correspondence, and enjoyed additional dialogue about how to best modify the 1976 statutes. For instance, we held one hearing where all four of the former Chiefs of the Forest Service and one former Bureau of Land Management Director shared their views about the current state of federal land management, and where legislative action could assist their successors in discharging the public trust more effectively.

During this time period there has been at least one seminal decision from the Supreme Court. In Ohio Forestry Association versus Glickman, the Supreme Court has, in my view, significantly devalued the importance of the land management planning process authorized under the National Land Management Act, and probably FLPMA as well. In that decision, the Court denied standing to challenge resource management plans, essentially on the basis that no real decisions are made. While properly decided on the basis of existing law, I believe that decision produced the wrong result insofar as effective resource planning is concerned. The bill I am introducing today would explicitly set a new course, reversing the effect of this decision in order to make resource management plans more meaningful documents. In various other ways of a less significant nature, the bill I am introducing today also reflects the product of court decisions that have been rendered during the period that we have been reviewing these issues.

The bill that I am introducing today is also the direct result of four important pieces of information. Let me describe each of these in turn.

First, we held an extraordinary pair of hearings with the President of the Wilderness Society as the sole witness. These hearings were significant in the sense that we were not limited to the usual, five-to-ten minute exchange to communicate with one another. Instead, we actually discussed the Wilderness Society's concerns and views about National Forest management for several hours.

Second and equally important was the assistance provided by the Society of American Foresters. The Society laudably took on the task of appointing a working group of resource scientists and professionals to review the current state of federal land management and the proposals that we made in the last Congress, and to offer suggestions for improvement. I commend their report as an authoritative guide to needed changes in the current system. Most notably, the Society is emphatic, as am I, that many, if not most, of the problems that plague federal

land management today can be resolved only through a cooperative effort between the Administration and Congress to produce a revised legislative charter for the land managing agencies.

Third, we were in many important respects guided by Secretary of Agriculture, Dan Glickman's, Committee of Scientists Report, also issued earlier this year. I commend this report to the attention of Senators as well. In many areas, we find ourselves in agreement with the Committee of Scientists, particularly with regard to defining a new mission for the Forest Service. We would submit that this is needed for the Bureau of Land Management as well—even though that was beyond the Committee's charter. One area where the Committee's views are unclear is whether or not these improvements can be made exclusively through the rule-making process. The Committee seems to be of two minds about this. It is clear to us that the kinds of changes the Committee seeks cannot be accomplished through regulation. They must involve fundamental statutory changes to the agencies' missions. Any other path is, in our view, doomed to failure.

Finally, we were informed at the time of the Administration's budget submission that the Administration would be sending forward a series of seven important legislative proposals governing federal land management. We were pleased that the Administration had at last come to the conclusion that legislative changes are necessary. This has been a source of intense dialogue between myself, Secretary Glickman, Undersecretary Lyons, and others in the Administration for more than two years. Given this recognition on their part, we felt duty-bound to wait for these proposals before going forward. In the bill I am introducing today, we have adopted, in pertinent part, five of the Administration's seven legislative proposals. A sixth proposal is the subject of a separate piece of legislation that was introduced in the House yesterday (HR 2389). I am working on a companion Senate bill to introduce shortly. Thus, I found the Administration's proposals something that I could agree with, and want to be responsive to.

So, my work product is the result of a number of sources of information. It has taken at least six months longer to produce than I anticipated it would, but in the interest of: (1) securing the advice of Secretary Glickman's Committee of Scientists; (2) evaluating the Society of American Foresters' report; and (3) being responsive to the Administration's legislative proposals, I believe the wait was worthwhile.

We will now move forward with additional hearings on this proposal confident that we are on the correct path to improve the quality of federal land management and, through a variety of means, increase public support for the future management of our federal forest lands.

We invite both the Administration and Members on both sides of the aisle to join us in this effort. We move forward knowing that this proposal, like any other, is a working draft that will by necessity change, probably significantly, as we move forward.

However, we also move forward knowing that legislative change in this area is both inevitable and vital. It is clear to me that this area of public discourse vitally needs a vibrant legislative debate and a new legislative charter so that our federal land managers can be provided with tools a little more modern than the slide-rule and mainframe computer punch cards.

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

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

SECTION-BY-SECTION DESCRIPTION—PUBLIC LANDS PLANNING AND MANAGEMENT IMPROVEMENT ACT OF 1999

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.—This legislation—''Public Lands Planning and Management Improvement Act of 1999''—provides new authority and gives greater responsibility and accountability to the Forest Service, Department of Agriculture, and Bureau of Land Management (BLM), Department of the Interior, for planning and management of federal lands under their jurisdiction. The two statutes governing the agencies' land planning and management—the National Forest Management Act (NFMA) and the Federal Land Policy and Management Act (FLPMA)—are now more than two decades old; this legislation preserves those laws' policies and requirements while it updates those laws to reflect the agencies' subsequent performance and experience.

The need for new statutory authority is one of the principal findings of a recent report on the planning and management of national forest and BLM lands commissioned by the Society of American Foresters (SAF), entitled Forest of Discord: Options for Governing our National Forests and Federal Public Lands. The report states that ''new legislation seems the best approach for improving federal land management * * * Because the problems that exist are both serious and complex, the problems cannot be resolved through regulatory reform or through the appropriations process. Rather, new legislation is warranted.''

The first version of this bill was introduced as S. 1253 on October 3, 1997. Since then the Energy and Natural Resources Committee has devoted significant attention to the legislation. It has been the subject of 8 hearings and 6 workshops, including one hearing in which 4 former chiefs of the Forest Service and one former director of the BLM spoke about the need for legislation to modernize the existing statutory base for federal land planning and managing, and analyzed this bill through the prisms of their experiences as agency heads, and two hearings in which the President of the Wilderness Society provided an in depth critique of the bill's provisions. Toward the end of 1998, the legislation was substantially altered to accommodate numerous useful suggestions of, and to remedy a number of concerns raised by, the many witnesses.

In the Spring of 1999, two important documents were published: (1) the SAF-commissioned critique of Forest Service and BLM planning and management and call for legislation, authored by prominent academics, state foresters, consultants, federal officials, and private forestland managers; and (2) the report of the Committee of Scientists appointed by the Secretary of Agriculture to provide advice in the course of a new rulemaking governing Forest Service planning, Sustaining the People's Lands: Recommendations for Stewardship of the National Forests and Grasslands into the Next Century. This bill was redrafted again before its introduction to incorporate many suggestions and concepts from these two landmark documents. As a result of the two rewrites, this legislation is significantly different from, and reflects a much broader array of views and ideas than did, its predecessor in the 105th Congress.

SEC. 2. FINDINGS.—This section contains numerous findings which explain the need for this legislation. Many of these findings are shared by the Committee of Scientists and SAF reports, and the language of the most prominent findings cite those documents. The findings—

Note the widespread public support for the twin principles of federal land management—multiple use and sustained yield—imposed on Forest Service lands in NFMA and on BLM lands in FLPMA.

Recognize that NFMA and FLPMA, enacted in 1976, established resource management planning processes as the means to apply these land management principles to the federal lands.

State that, in the 2 decades since the enactment of NFMA and FLPMA, fundamental flaws in the planning processes have been exposed, to the dissatisfaction of all stakeholders.

Find that these flaws threaten the planning and management decisionmaking processes and undermine the agencies' ability to fulfill their statutory land management responsibilities and to accomplish management that is well grounded in science.

Note that Congress' desire for planning to be completed within discrete time frames and to provide secure management guidance has not been achieved.

Describe how planning has yet to be completed 2 decades after the enactment of NFMA and FLPMA, and how the Forest Service and BLM are now engaged in an apparently perpetual planning cycle that deprives both the agencies and the public of stable and predictable management of federal lands.

State that the two levels of planning contemplated and required by NFMA and FLPMA have been expanded by the agencies and the courts to include various planning exercises on multiple, often conflicting, broader and narrower planning scales that in many cases are focused on only a single resource, are conducted without the procedural and public participation safeguards required by those laws, and result in guidance that conflicts with the planning that is conducted in accordance with those laws.

Find that the procedures and requirements of NFMA and FLPMA often are not compatible, and even conflict, with procedures and requirements of other, more generally applicable environmental laws. The result is often the de facto transfer of planning and management decisionmaking authority from the

land management agencies—the Forest Service and BLM—to other environmental agencies—most notably the Environmental Protection Agency, Fish and Wildlife Service, National Marine Fisheries Service—that do not possess comparable land management expertise.

Find ''without doubt'' that Congress has failed to reconcile the procedures and requirements of other environmental laws with the planning and management processes established by NFMA and FLPMA.

State that the land management planning is conducted without regard for likely funding constraints on plan implementation and that the agencies' budgets and Congressional appropriations are not linked to the plans.

Describe how, even when the Forest Service and BLM retain planning and management authority, they are often paralyzed by an escalating number of administrative appeals and lawsuits.

Note that existing law does not recognize, nor integrate into planning, important new land management concepts such as ecosystem management and adaptive management which are being imposed or incorporated in federal land planning and management without statutory authority or clear public understanding.

State that new processes developed by stakeholders to better participate in federal land planning and decision making, such as the community collaborative deliberations of the Quincy Library Group and Applegate Partnership, are not recognized or encouraged by NFMA and FLPMA.

Find that these flaws in planning and plan implementation, including the administrative and judicial challenges, have escalated Forest Service and BLM land management costs and thereby reduced land management capability.

Note that FLPMA and NFMA were enacted when federal land ecosystems were regarded generally as healthy, but numerous watersheds are degraded, species are declining because of habitat loss, and forested areas are undergoing or are threatened by an unprecedented forest health crisis.

State that monitoring to develop an adequate basis for planning and to determine whether plans are being implemented adequately or conditions have changed sufficiently to warrant new planning is often promised but rarely conducted.

State that these flaws in planning and subsequently inability to secure plan implementation have injured—both environmentally and economically—all stakeholders, but particularly local resource-dependent communities which have no protection nor recourse under NFMA and FLPMA.

Find that NFMA and FLPMA, and their implementing regulations provide much guidance on planning, but virtually none on plan implementation, thereby devaluing the term ''Management'' common to both Acts' titles.

Report the finding of the United States General Accounting Office (GAO) that the statutory flaws and public distrust discussed in these findings have contributed to, and been compounded by, the agencies' lack of a clear mission statement.

And find that additional statutory direction for planning and plan implementation is needed to secure stable and predictable federal land management and to free the Forest Service and BLM to exercise fully their professionalism in making management decisions.

SEC. 3. DEFINITIONS.—This section defines the terms used in this legislation. For the purpose of this section-by-section description only two terms need definition here. ''Federal lands'' means all federal lands managed by the BLM (excluding Outer Continental Shelf lands) and Forest Service (including national grasslands). The four ''Committees of Congress'' are the authorizing committees with jurisdiction over the Forest Service and BLM: the Committee on Resources and Committee on Agriculture in the House of Representatives and the Committee on Energy and Natural Resources and Committee on Agriculture, Nutrition, and Forestry in the United States Senate.

SEC. 4. SUPPLEMENTAL AUTHORITY.—This section makes clear that this legislation supplements the NFMA, FLPMA, and other applicable law. Any inconsistency: between this bill and the NFMA or FLPMA is resolved in favor of this bill; and between this bill and the statutes governing management of units of the National Wilderness Preservation, National Wild and Scenic Rivers, and National Trails Systems is resolved in favor of those statutes.

SEC. 5. TRANSITION.—This section makes clear that existing plans, policies, and other guidance concerning the federal lands that are in effect on the date of enactment of this legislation remain valid until they are revised, amended, changed, or terminated in accordance with this legislation.

TITLE I—ENSURING THE EFFECTIVENESS AND IMPLEMENTATION OF FEDERAL LAND PLANNING

SEC. 101. PURPOSES.—The purposes of Title I are to provide a mission statement for the Forest Service and BLM and provide Congressional direction to those agencies on the preparation and implementation of resource management plans for, and the planning of management activities on, the federal lands. This mission and direction are intended to avoid the environmental, economic, and social injuries caused by the existing flaws and past absence of mission and direction in federal land planning. Most importantly, this mission and direction are expected to achieve more stable, predictable, timely, sustainable, and cost-effective management of federal lands. This title is also intended to encourage collaborative processes in federal land planning, to ensure adequate monitoring, and to establish uniform, expeditious procedures for administrative and judicial appeals. Finally, this title would provide for consideration during planning of funding constraints on, and during budget setting of funding needs for, plan implementation. The collaborative planning, monitoring, and budgetary purposes were not in this bill's predecessor.

PART A. IN GENERAL

SEC. 102. MISSION OF THE LAND MANAGEMENT AGENCIES.—A common theme of the SAF report (pp. 17–18), the Committee of Scientists report (pp. xiv-xvi), and a 1997 GAO report entitled, ''Forest Service Decisionmaking: A Framework for Improving Performance.'' (p. 5) is the need for a new mission direction for the Forest Service and BLM that provides guidance beyond the multiple use and sustained yield principles and incorporates the newer management concepts concerning ecosystems, landscape management, and biological diversity. This section provides that new mission statement. It is: to manage the federal lands to assure the health, sustainability, and productivity of the lands' ecosystems; where consistent with that objective, to furnish a sustainable flow of multiple goods, services, and amenities; to preserve or establish a full range and diversity of natural habitats of native species in a dynamic manner over the landscape, and to designate discrete areas to conserve certain resources or allow certain uses. This section was rewritten, consistent with the Committee of Scientists and SAF reports' recommendations, to accord priority to ecosystem concerns and to clarify and ensure that the agencies are to deliver amenities as well as goods and services.

SEC. 103. SCIENTIFIC BASIS FOR FEDERAL LAND DECISIONS.—To ensure that federal land planning and management is well grounded in science (a particular concern of the Committee of Scientists), this section requires the Forest Service and BLM to use in all federal land decisions the ''best scientific and commercial data available.'' Congress first adopted this stringent standard in the Endangered Species Act of 1973; this bill's standard is identical to that Act's.

PART B. RESOURCE MANAGEMENT AND ACTIVITY PLANNING

SEC. 104. LEVELS OF PLANNING.—To reduce the proliferating number of federal land planning exercises, this section limits the levels of Forest Service and BLM planning to two—multiple-use resource management planning for designated planning units and site-specific planning for management activities. The two agencies are given complete discretion to designate planning units of whatever size and number they consider appropriate in which to conduct the resource management planning.

The agencies may also conduct analyses or assessments for geographical areas other than the planning units (including ecoregion assessments as provided in Part F of this title). The results of those analyses or assessments may be applied to the federal lands by amending or revising the applicable resource management plans.

This section establishes a 3-year deadline for amending or revising existing resource management plans to include policies developed in planning conducted outside of the two prescribed planning levels. Non-complying planning will no longer apply to the federal lands at the end of the 3-year period.

SEC. 105. CONTENTS OF PLANNING AND ALLOCATIONS OF DECISIONS TO EACH PLANNING LEVEL.—To eliminate redundant planning that is time-consuming and costly, this section assigns specific analyses to the two levels of planning established in section 104 and clarifies that the analyses may not be repeated elsewhere in the planning process. This assignment of planning tasks to specific planning levels is regarded as a critically important change by the authors of the SAF report (pp. 51, 59): ''The current land management planning process is unclear about which decisions are made at which points in the planning process. No public organization or management system can be effective without clearly articulated goals and an unambiguous decisionmaking process, and in current planning, neither of these conditions obtains. . . . Once the overall mission of the lands has been identified, the most important questions about land management planning on the national forests and public lands relate to clarifying which issues are decided at which levels of the decisionmaking process.''

This section requires that resource management plans contain 5 basic elements: (1) statement of management goals and objectives; (2) allocation of land uses to specific areas in the planning unit; (3) determination of outputs of goods, services, and amenities from the unit; (4) environmental protection policies; and (5) a description of the desired

future conditions of the unit's lands and the expected duration of time needed to achieve those conditions. Basic elements (1) and (3) are specifically recommended by the SAF report (p. 57): ''Resource management plans should identify and quantify (to the extent feasible) appropriate goals and outcomes, including vegetation management goals and commodity and amenity outputs.'' Element 2—land allocations—is, of course, the historic backbone of planning and is recommended by the Committee of Scientists report (p. xxxiii). ''Desired future conditions'' is a new, basic element added to this bill; this concept is recommended in the Committee of Scientists report (p. xxviii) as ''[t]he central reference point for strategic planning.'' The agencies are admonished to tailor the environmental protection policies in element 4, to the maximum extent feasible, not to be prescriptive requirements generally applicable to the entire planning unit, but rather to provide guidance for determining specific requirements suitable for the precise conditions at identified sites during the planning of individual management activities.

The agencies are tasked with describing the basic elements in a manner that provides a basis for monitoring required by section 116 and adaptive management required by section 117. This requirement is new to this bill and is recommended by SAF report (p. 57): ''The goals and outputs (including fiscal expectations and downstream effects) should be set forth in a manner that provides a basis for monitoring, evaluating, and reporting agency performance.''.

Additionally, the resource management plans are required to contain: (1) a statement of historical uses, and trends in conditions of, the resources covered by the plans; (2) a comparison of the projected results of the basic elements with recent agency performance and a discussion of any expected, significant changes in management direction, including any steps to be taken to ameliorate any adverse economic, social, and economic consequences that might result from those changes; (3) a schedule and procedure for monitoring plan implementation, management of the covered federal lands, and trends in the covered resources' uses and conditions as required by section 116; (4) criteria for determining when circumstances on the covered federal lands warrant adaptive management of the resources as required by sections 116(a)(3) and 117(c). The requirement to compare projected results with past performance and discuss significant differences is a new element in this bill that is recommended in the SAF report (p. 57): ''The plans should compare and contrast the goals and outcomes with recent performance, highlighting situations where a significant change in direction is proposed.'' The requirement for a schedule and procedures for monitoring is recommended by both the Committee of Scientists report (''An adequate plan contains the methods and proposed measurements for monitoring . . .''. (p. 108) and the SAF report (''The [planning] decision document needs to specify the monitoring process . . .''. (p. 27)).

Another provision designed to reduce plan redundancies and the time consumed in repetitive planning requires the agencies to assign by a notice-and-comment rulemaking specific analyses and decisions to each of the two planning levels (as recommended in the SAF report (p. 59): ''Forest planning regulations should identify the analyses and decisions that must be made at each planning level''). The agencies may not conduct or reconsider those analyses or decisions in the planning level to which they are not assigned. This section also assigns a number of analyses and decisions by statute. In addition to the 5 basic elements discussed previously, assigned to resource management planning are resource inventories, cumulative effects analyses (including effects on water quality), discussion of relationship to State and local plans, identification of federal lands which might be exchanged or otherwise disposed of, and decisions on wilderness, unsuitability of lands for certain uses (*e.g.*, coal mining as required by section 522 of the Surface Mining Control and reclamation Act and timber harvesting as required by section 6 of the National Forest Management Act), and visual objectives.

Assigned to management activity planning are analyses of site-specific resources and environmental effects, and decisions concerning the design of, and requirements for, the activity, including decisions related to water quality effects of the activity, method for harvesting forest products, revenue benefits, and a schedule and procedures for monitoring the effects of the activity. These assignments of decisionmaking comport with the recommendations in the SAF report (p. 59): ''Forest or area plans might be the appropriate place to analyze and decide wilderness recommendations, output targets, supply-demand relationships, and community impacts. [Localized] plans might be the appropriate place to analyze and decide on silvicultural practices and restoration activities and the mix of habitats for species viability . . . [and] access and management unit boundaries.''

Among the more significant changes in this section from the language of this bill's predecessors are the addition of desired future uses to the plan's basic elements, the emphasis on monitoring and adaptive management in resource management planning, the requirement to address adverse consequences of significant changes in management direction, and the assignment of water quality analyses to both planning levels.

SEC. 106. PLANNING DEADLINES.—To break the cycle of perpetual planning, this section would set deadlines for conducting the two-level planning. These deadlines are: (1) for resource management planning—36 months for plan preparation, 18 months for amendments defined as significant by regulations, 12 months for amendments defined as nonsignificant by regulations, and 30 months for revisions; and (2) for management activity planning—12 months for planning significant activities, and 9 months for planning nonsignificant activities. All of these deadlines are longer than those in the predecessor bill, as suggested by the former agency heads and other witnesses. Also added is a provision that adjusts the deadlines if an activity must be submitted to Congress as a ''rule'' under section 251 of the Contract with American Advancement Act of 1996 (110 Stat. 868–874, 5 U.S.C. 801–808). Both the Committee of Scientists report (''Planners should aim to complete the planning phases from assessment through formal adoption of small landscape plans within three years and preferably less than two.'' (p. 181)) and the SAF report (''deadlines for decisions should therefore be set'') (p. 46)) recommend planning deadlines.

SEC. 107. PLAN AMENDMENTS AND REVISIONS.—This section ensures that the 5 basic elements of the resource management plans are accorded equal dignity and that one element is not arbitrarily sacrificed or ignored to achieve another. It prohibits the Forest Service and BLM from applying a policy to, or making a decision on, a resource management plan or a management activity which is inconsistent with one of the basis elements. To ensure that the agencies discover any such inconsistency, this section requires each agency either to report in writing with each land management activity decision that the activity contributes to or does not preclude achievement of the basic elements or to amend or revise the plan to remove or reconcile the affected element. This decision to amend would be made whenever the inconsistency is discovered whether it is during the planning for a specific management activity or during the monitoring of plan implementation required by section 116. The agencies are given the authority to waive an inconsistency without amending the resource management plan for a single specific management activity within any class of management activities once during the life of the plan if the inconsistency does not violate a nondiscretionary statutory requirement and the determination is made that the waiver is in the public interest.

This section also requires that any change in federal land management that is imposed by new law, regulation, or court order or that is warranted by new information must be effected by amending or revising the appropriate resource management plans. Further, unless the agency determines that the law or court requires otherwise and publishes that determination, the change in management does not become effective until the amendment or revision is adopted.

This section directs that, when resource management plans are revised, all provisions of those plans are to be considered and analyzed in the environmental analysis (environmental impact statement (EIS) or environmental assessment (EA)) and decision documents. This ensures that the agency does not consider only those portions of the plans that are particularly important to the most vociferous advocates for a particular land use or management policy or are of particular interest to the officials involved in the planning exercise.

Finally, this section clarifies that, while a resource management plan is being amended or revised, management activities are to continue and not be stayed in anticipation of changes that might be made by the amendment or revision. Exceptions to this stay prohibition include whenever a stay is required by this bill, court order, or a formal declaration by the Secretary (without delegating the authority). However, the agencies can stay particular activities for purposes that are unrelated to the purpose or the likely effect of the amendment or revision. To ensure that *de facto* stays do not occur, this section provides that, except as described above, a plan amendment or revision may not become effective until final decisions on management activities that are scheduled to be made during the plan amendment or revision process have been made.

Changes to this section include wording that responds to a concern expressed by the President of the Wilderness Society that environmental policies could be made secondary to other commodity-oriented policies. This was accomplished by clarifying that no basic element—including the environmental policies—can be made inconsistent and ignored, and that exception can be made only once for any class of management activities over the plan's life.

SEC. 108. CONSIDERATION OF COMMUNITIES DEPENDENT ON FEDERAL LANDS AND RESOURCES.—This section requires that, in preparing, amending, or revising each resource

management plan, the Forest Service and BLM must consider if, and explain whether, the plan will maintain to the maximum extent feasible the stability of any community that has become dependent on the commodity or non-commodity resources of the federal lands to which the plan applies. Consideration of dependent communities was strongly recommended in the Committee of Scientists report (pp. xxi, 45): ''Within the context of sustainability, planning should consider the needs, resilience, and vulnerability of economies and communities in selecting long-term management strategies.'' ''The national forests and grasslands must serve all of the nation's people; nevertheless, local residents deserve particular attention when the contributions of the forests to economic and social sustainability are being considered.''

The procedure for meeting this mandate is to include in the EIS or EA on the plan, amendment, or revision a discussion of: the impact of each plan alternative on the revenues and budget, public services, wages, and social conditions of each federal lands-dependent community; how the alternatives would relate to historic community expectations; and how the impacts were considered in the final plan decision.

This section defines a community dependent on the commodity or non-commodity resources of the federal lands as one which is located in proximity to federal lands and is significantly affected socially, economically, or environmentally by the allocation of uses of one or more of the lands' commodity or non-commodity resources. The secretaries are to consult with the Secretaries of Commerce and Labor in establishing by rulemaking criteria for identifying these communities.

This section was changed to recognize that many communities are as dependent on non-commodity resources (for professional guiding, river running, hunting and fishing, etc.) as others are dependent on commodity resources and that both types of communities should be given special attention in planning.

SEC. 109. ECOSYSTEM MANAGEMENT PRINCIPLES.—This section provides a statutory basis for the relatively new ecosystem management concept. It requires that this concept be incorporated into planning. As the agencies accomplish this integration of ecosystem management and planning, they are cautioned that this new concept may not supersede other statutory mandates. This section requires that the Forest Service and BLM consider and discuss ecosystem management principles in the EISs or EAs for resource management plans, amendments, and revisions. It also states that these principles are to be applied consistent with, and may not be used as authority for not complying with, the other requirements of this legislation, FLPMA, NFMA, and other environmental laws applicable to resource management planning.

''Ecosystem management'' is defined in section 3. That definition has been altered in this bill to incorporate the basic management mandate recommended by the Committee of Scientists report (pp. xiv, 177): ''ecological, economic, and social sustainability''.

PART C. ENCOURAGEMENT OF COLLABORATIVE PLANNING

Decentralized, collaborative planning is emphasized in both the Committee of Scientists report (pp. xxiii–xxv) and the SAF report (p. 46). Although the provisions in this part have appeared in earlier versions of this bill, they are arranged here into one part in order to emphasize the collaborative planning concept.

SEC. 110. PARTICIPATION OF LOCAL, MULTI-INTEREST COMMITTEES.—To encourage local solutions to federal land management issues developed through collaborative planning by neighboring citizens of diverse interests, this section provides for the establishment of two types of local, matter-interest committees. The first is the ''independent committee of local interests'' established without the direction, intervention, or funding of the agencies and including at least one representative of a non-commodity interest and one representative of a commodity interest. Prototypes for this type of committee are the Quincy Library Group and Applegate Partnership.

This section encourages these independent committees to prepare planning recommendations for the federal lands by imposing the requirement on the agencies that they include those recommendations as alternatives in the EISs or EAs which accompany the preparation, amendment, or revision of resource management plans. If more than two independent committees are established and submit planning alternatives for the same federal lands, the Forest Service or BLM will include the alternatives of the two committees it determines to be most broadly representative of the interests to be affected by the plan, amendment, or revision, and will attempt to consolidate for analysis or otherwise discuss the other committees' alternatives. Finally, the section authorizes the Forest Service and BLM to provide to any independent committee whose planning alternative is adopted sufficient funds to monitor the alternative's implementation. These independent committees would be exempt from the Federal Advisory Committee Act.

Second, the agencies are empowered to establish local committees corresponding to the federal land's planning units. The membership of these committees must be broadly representative of interests affected by planning for the planning units for which they are formed. The agencies must seek the advice of the committees prior to adopting, amending, or revising the relevant resource management plans and provide the committees with funding to monitor plan implementation.

SEC. 111. CITIZEN PETITIONS FOR PLAN AMENDMENTS OR REVISIONS.—Section 122 establishes deadlines for challenging resource management plans, amendments, and revisions. The section provides a procedure for citizens who believe a plan has become inadequate after the deadlines have passed to seek change in the plan and, if unsuccessful in obtaining change, to challenge the plan. This section authorizes any person to challenge a plan after the deadline solely on the basis of new information, law, or regulation. The mechanism for challenge is a petition for plan amendment or revision. The Forest Service or BLM must accept or deny the petition within 90 days, and any request for a stay within 5 days, or receipt of the petition. If the agency fails to respond to or denies the petition or stay request, the petitioner may file suit immediately against the plan. If the agency accepts the petition, the process of amending or revising the plan begins immediately. The agency's decision to accept or deny the petition is not subject to the consultation requirement of the Endangered Species Act (ESA) or the environmental analysis requirements of the National Environmental Policy Act (NEPA).

The principal change in this section was in response to the testimony of the President of the Wilderness Society. It adds the opportunity for a petitioner to seek a stay of any activities subject to the petitioned plan amendment.

SEC. 112. NOTICE AND COMMENT ON MANAGEMENT ACTIVITIES.—This section adopts a provision from the provision in the Fiscal Year 1993 Interior and Related Agencies Appropriation Act which provided procedures for adminsitrative appeals of Forest Service land management activities. In this bill and its prior versions the appeal procedures were incorporated in a broader administrative appeals section (here, section 122). Consequently, this bill and its predecessors would repeal that 1993 appropriations act rider. As pointed out by the President of the Wilderness Society, inadvertently dropped from the repealed language was a provision requiring notice (by mail and newspaper) and comment (within a 30 day period) on Forest Service land management activities. This section restores that provision and expands it to include land management activities of the BLM.

PART D. CONSIDERATION AND DISCLOSURE OF BUDGET AND FUNDING EFFECTS

SEC. 113. DISCLOSURE OF FUNDING CONSTRAINTS ON PLANNING AND MANAGEMENT.—To ensure that planning decisions are not based on overly optimistic funding expectations and are not rendered irrelevant by enactment of differing appropriations, this section requires that the EIS or EA on ech resource management plan, or plan amendment or revision, contain a determination on how the 5 basic elements (goals and objectives, land use allocations, outputs of goods and services, environmental protection policies and standards, and desired future conditions) will be implemented within a range of funding levels (with at least one level which provides less funds annually, and one level which provides more funds annually, than the level of funding for the fiscal year in which the EIS or EA is prepared).

The Committee of Scientists, the SAF report authors, and the GAO (Forest Service Issues Related to Management of National Forests for Multiple Uses, 1996) all recognized the fundamental problem of what the Committee of Scientists (p. 107) called the ''disconnect between budgets and plans.'' As described in the SAF report (p. 22), ''Even though the Forest Service has generally received the funds requested for land management planning, it has not delivered the outputs that the plans specify. Some plans have been developed without budget constraints. This gap between plans and reality means that many of the actions called for in the plans and justified on multiple-use grounds can never be realized simply because of lack of funds.'' All three reports basically call for the same remedy (i.e., ''Forest or area plans should explain how the goals and outcomes would be affected by differing budgets.'' SAF report, p. 62) that is provided in this section.

SEC. 114. FULLY ALLOCATED COSTS ANALYSIS.—To ensure that the costs to all uses are revealed, this section directs the Forest Service and BLM to disclose in the EISs and EAs on resource management plans, amendments, and revisions the fully allocated cost including foregone revenues, expressed as a user fee or cost-per-beneficiary, of each non-commodity output from the federal lands to which the plans apply.

SEC. 115. BUDGET AND COST DISCLOSURES.—To better relate the agencies' planning process with Congress' appropriations process, this section requires that the President's

budget request to Congress include an appendix that discloses the amount of funds that would be required to achieve 100% of the annual outputs of goods and services in, and otherwise implement fully, each Forest Service and BLM resource management plan. This provision, together with section 113, implements two critical recommendations in the SAF report (p. 62): ''A persistent criticism of resource management plans is that annual appropriations have not always matched the funding assumptions. Forest or area plans should explain how the goals and outcomes would be affected by differing budgets. Annual reporting on agency performance can then compare and contrast the goals and targets of the plan with the requested budgets and actual appropriations.''.

In the face of escalating planning costs, particularly those associated with ecoregion assessments, this section also requires the agencies to submit to Congress each year an accounting of the total costs and cost per function or procedure for each plan, amendment, revision or assessment published in the preceding year.

PART E. MONITORING AND ADAPTIVE MANAGEMENT

Set out in this part are the two most important functions conducted by the agencies (in addition to responding to citizen petitions for plan amendment or revision authorized by section 111) to ensure that resource management plans—once prepared—are implemented and kept current. The first of these functions is monitoring. A recurring theme of numerous studies (including both the Committee of Scientists and SAF reports and the 1997 GAO report, Forest Service Decision-making: A Framerwork for Improving Performance) is that, in the words of the SAF report (p. 51), ''[b]oth natural resources monitoring and program implementation monitoring are currently inadequate.'' The Committee of Scientists report emphasizes that the second of these functions—adaptive management—is wholly dependent on adequate monitoring. Because monitoring is expensive (SAF report, p. 38) and is not typically a prerequisite to land management decisions, it is usually deprived of necessary funding by both Congress and the agencies. This part provides statutory emphasis for, and attempts to provide more secure funding to, these critical functions. This part consolidates and strengthens various provisions in the previous version of this bill.

SEC. 116. MONITORING.—This section requires use of funds from the Monitoring Funds established by section 118 to monitor the implementation of each resource management plan at least biennially. The monitoring is to (1) ensure that no basic element (goal, land allocation, output, environmental policy, or desired future condition) of the plan is constructively changed through a pattern of incompatible management activities or of failures to undertake compatible management activities, (2) determine that no conflict has arisen between any of the basic elements of the plan, and (3) determine if circumstances warrant adaptive management of the plan. The monitoring is to be conducted in accordance with the procedures for monitoring that are required to be included in each resource management plan by section 105. Likewise, the determination of circumstances warranting adaptive management are to be made in accordance with the criteria for such determinations which section 105 also requires be included in each plan.

SEC. 117. ADAPTIVE MANAGEMENT AND OTHER CHANGES DUE TO MONITORING.—This section requires corrective management actions or plan amendments or revisions whenever, as provided in section 116, the monitoring discloses changed circumstances, conflicts in plan elements, or circumstances warranting adaptive management.

SEC. 118. MONITORING FUNDS.—This section would implement a recommendation in the SAF report (p. 62) that ''[m]onitoring should be separately and adequately funded.'' This section establishes a Public Lands Monitoring Fund for BLM lands and Forest Lands Monitoring Fund for Forest Service lands to provide a supplemental funding source for important monitoring activities. The Funds would receive all monies collected from federal lands in any fiscal year that are in excess of federal land revenues projected in the President's baseline budget (minus the State's and local government's share as required by law). The monies in the Funds may be used, without appropriations, to conduct the monitoring required by section 116 or to fund the monitoring of the local, multi-interest committees under section 110.

Added to this section is a provision that encourages each agency to use private contractors, including contractors under the Jobs in the Woods Program, to conduct monitoring, except the monitoring done by the multi-interest committees.

PART F. PLANNING—RELATED ASSESSMENTS

SEC. 119. PURPOSE AND AUTHORIZATION OF ECOREGION AND OTHER ASSESSMENTS.—The purpose of this part and section is to authorize the new practice of preparing ecoregion and other assessments of environmental, economic, and social issues and conditions that transcend the boundaries of planning units established pursuant to section 104 for the purpose of informing the resource management planning for, and the planning of management activities on, the federal lands. The Committee of Scientists (pp. xxvi–xxvii) endorses assessments as vehicles for ''provid[ing] the context for. . . . planning.''

First, this section authorizes the Forest Service and BLM to prepare these ecoregion or other assessments, which may include non-federal lands if the Governors of the affected States or the governing bodies of the affected Indian tribes, as the case may be, agree. It requires the agency to give the four Committees of Congress and the public 90 days advance notice before initiating an assessment. The notice to Congress and Federal Register notice must include: (1) a description of the land involved; (2) the agency officials responsible; (3) the estimated costs of and the deadlines for the assessment; (4) the charter for the assessment; (5) the public, State, local government and tribal participation procedures; (6) a thorough explanation of how the region or area for the assessment was identified and the attributes which establish it; and (7) detailed reasons for the decision to prepare the assessment.

SEC. 120. STATUS, EFFECT, AND APPLICATION OF ASSESSMENTS.—This section provides that the assessments must not contain any decisions concerning resource management planning or management activities. The Committee of Scientists (p. xxvi) endorses this approach: ''A critical component of the framework proposed by the Committee is that assessments are not decision documents and should not be made to function under the NEPA processes associated with decision-making.'' The section also establishes a procedure for applying information or analysis contained in ecoregion or other assessments to the planning and management activities. It directs the relevant agency to make a decision within 6 months of completion of an assessment whether any information or analyses in the assessment warrants amendments to, or revisions of, a resource management plan for the federal lands to which the assessment applies. If the decision is made for an amendment or revision, no management activity on federal lands may be delayed or altered on the basis of the assessment while the amendment or revision is prepared. This section also prohibits any federal official from using an assessment as an independent basis to regulate non-federal lands. Finally, as the assessments are non-decisional, this section provides that they will not be subject to the consultation requirements of the Endangered Species Act or the environmental documentation requirements of the National Environmental Policy Act. (''Most critically, assessments do not produce decisions and, therefore, should not be made to function under the NEPA processes associated with decision making.'' Committee of Scientists report, p. 95.)

SEC. 121. REPORTS TO CONGRESS ON ASSESSMENTS.—This section mandates three reports on ecoregion and other assessments.

First, this section directs the agencies to report biennially to the four Committees of Congress on ecosystem and other assessments, their implications for federal land management, and any resource management plan amendments or revisions based on assessments. The reports also must include the agencies' views of the benefits and detriments of, and recommendations for improving, assessments.

Second, this section requires the GAO to prepare and submit to the same Committees of Congress a report on each assessment 3 years after the conclusion of the assessment. The report is to: review the degree of protection for non-commodity resources on, and the level of goods and services from, the relevant federal lands that are projected by the assessment; provide an evaluation of whether such resource protection and amount of goods and services were actually delivered and, if not, why; and recommendations to change assessments to change assessments to secure more accurate projections and better delivery.

Third, the GAO is directed to provide the Committees of Congress with an overall evaluation of the efficacy of assessments seven years after enactment.

Dropped from this bill was the Pacific Northwest Plan Review provision that was contained in earlier versions and was criticized by witnesses for environmental organizations.

PART G. CHALLENGES TO PLANNING

The purposes of this part are to ensure that challenges—both administrative and judicial—of resource management plans and management activities are brought more timely, and by those who truly participate in the agencies' processes. It does not eliminate challenges or insulate agency decisions from challenges.

SEC. 122. ADMINISTRATIVE APPEALS.—This section directs the Forest Service and BLM to promulgate rules to govern administrative appeals of decisions to approve resource management plans, amendments, and revisions, and of decisions to approve, disapprove, or otherwise take final action on management activities. While allowing the agencies considerable discretion in rulemaking, this section does provide that the rules must: (1) require that, in order to bring an appeal, the appellant must have commented in writing during the agency process on the issue or issues to be appealed if an opportunity to comment was provided and if

the issue or issues were manifest at that time (SAF report recommendation (p.58): ''Increase the requirements for filing an administrative appeal by requiring participation in the decision process related to the specific decision''); (2) provide that administrative appeals of plans may not challenge analyses or decisions assigned to management activities under section 105 and administrative appeals of management activities may not challenge analyses or decisions assigned to plans under section 105; (3) provide deadlines for bringing the administrative appeals (not more than 120 days after a plan or revision decision, 90 days after an amendment decision, and 45 days after a management activity decision); (4) provide deadlines for final decisions on the appeals (not more than 120 days for appeal of a plan or revision, 90 days for appeal of a plan amendment, and 45 days for appeal of a management activity, with possible 15 days extension for each); (5) provide that, in the event of failure to render a decision by the applicable deadline, the decision on which the appeal is based is to be deemed a final agency action which allows the appellant to file suit immediately; (6) require the agency to consider and balance environmental and/or economic injury in deciding whether to issue a stay pending appeal; (7) provide that no stay may extend more than 30 days beyond a final decision on an appeal of a plan, amendment, or revision or 15 days beyond a final decision on an appeal of a management activity; and (8) establish categories of management activities excluded from administrative appeals (but not lawsuits) because of emergency, time-sensitive, or other exigent circumstances.

This section is more comprehensive than the section of the Fiscal Year 1993 Interior and Related Agencies Appropriation Act which concerned appeals only of management activities (not management plans, amendments, and revisions) of the Forest Service (not BLM). As this section supplants that more limited provision, it repeals that provision when the new appeals rules required by this section become effective.

SEC. 123. JUDICIAL REVIEW.—This section establishes venue and standing requirements in, sets deadlines for, and otherwise governs lawsuits over resource management plans, amendments, revisions, and petitions and management activities.

The venue for plan-related litigation is the U.S. Circuit Court of Appeals for the circuit in which the lands (or the largest portion of the lands) to which the plan applies are located. The venue for litigation over a management activity, or petition for plan amendment or revision is the U.S. District Court in the district where the lands (or the largest portion of the lands) on which the activity would occur or to which the plan applies are located.

This section also clarifies that standing and intervention of right is to be granted to the fullest extent permitted by the Constitution. This means those who are economically injured cannot be barred by the non-constitutional, prudential ''zone of interest'' test developed by the judiciary. This section also overturns the Supreme Court's 1998 decision in *Ohio Forestry Association* v. *Sierra Club* (118 S. Ct. 1665 (1998)) which drastically limited the ability of environmental organizations or other litigants from filing lawsuits challenging resource management plans. On the other hand, this section limits standing to those who make a legitimate effort to resolve their concerns during the agency's decisionmaking process and do not engage in ''litigation by ambush'' by withholding their concerns until after the agency decision is made. Specifically, this section requires that the plaintiff must have participated in the agency's decisionmaking process and submitted a written statement on the issue or issues to be litigated if the opportunity to comment was provided and the issue or issues were manifest at that time, and must have exhausted opportunities for administrative review.

Deadlines for bringing suit are 90 days after the final decision on the administrative appeal of a resource management plan, amendment, or revision, and 30 days after a final decision on the administrative appeal of a management activity or final disposition of a petition for plan amendment or revision. If the challenge involves a statute (*e.g.*, Endangered Species Act or Clean Water Act) which requires a period of notice before filing a citizen suit, suit must be filed no later than 7 days after the end of that notice period.

This section bars suits brought on the basis of new information, law, or regulation until after a petition for plan amendment or revision is filed and a decision is made on it.

This section also clarifies that suits concerning resource management plans and management activities are to be decided on the administrative record.

Several changes were made to this section to respond to concerns expressed by the President of the Wilderness Society.

TITLE II—COORDINATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS

SEC. 201. PURPOSES.—The purposes of this title are to eliminate primarily procedural conflicts among, and coordinate, the various land management and environmental laws without reducing—indeed enhancing—environmental protection. A wide variety of reports from diverse sources have consistently sounded the theme that conflicting laws have made management of federal lands more difficult. Among these reports are both the Committee of Scientists report (p. xli) and the SAF report (pp. 23–24), the 1992 Office of Technology Assessment report Forest Service Planning: Accommodating Uses, Producing Outputs and Sustaining Ecosystems (p. 59), and the 1997 GAO report Forest Service Decision-making: A Framework for Improving Performance (p. 11). The SAF report (p. 23) summarizes one fundamental consequence: ''Because [other federal and state] agencies have different missions, they interpret statutes and regulations differently. The result, too often, is that they fail to agree on land management decisions. In recent cases, land management has been guided as much by decisions of the regulatory agencies as by the resource agencies.''

The SAF report finds that legislation is required to address this problem; the Committee Scientists report (p. xli), which focuses on recommendations to improve Forest Service regulations, opines that, as to this problem, legislative action may be necessary. This part approaches, but does not go as far as, the principal recommendation of the SAF report (pp. 55–56) relevant to this problem: ''Consistent with sound land management theory, the federal land management agencies should be given broad authority and responsibility to meet all environmental requirements. Consultation is appropriate, but other federal and state agencies should not have the responsibility for approving land management activities. If the federal land management agencies do not act in a prudent, responsible fashion, their actions should be subject to legal challenges.''

SEC. 202. ENVIRONMENTAL ANALYSIS.—This section describes how compliance with the National Environmental Policy Act will occur in resource management planning and planning for management activities. It requires that EIS be prepared whenever a resource management plan is developed or revised. (Plan amendments may have either and EIS or EA depending on their significance.) This section also provides that, for management activities, an EA ordinarily is prepared. The EA for the management activity is to be tiered to the EIS for the applicable resource management plan. The agency may prepare a full EIS on a management activity if it determines the nature or scope of the activity's environmental impacts is substantially different from, or greater than, the nature or scope of impacts analyzed in the EIS on the applicable resource management plan.

SEC. 203. WILDLIFE PROTECTION.—This section addresses the relationship of the Endangered Species Act to federal land planning and management. First, it provides a certification procedure by which the Forest Service and BLM can become certified by the Fish and Wildlife Service to conduct the consultation responsibilities normally assigned to the Fish and Wildlife Service and National Marine Fisheries Services by section 7 of the ESA. If they are certified, the two land management agencies will have the authority to prepare the biological opinions under the ESA just as they now prepare EISs under NEPA.

Second, this section addresses situations in which the resource management plan may have to undergo consultation because of a new designation of an endangered or threatened species or of a species' critical habitat, or new information about an already designated species or habitat. This section requires that a decision be reached as to whether consultation is required on the plan within 90 days of the new designation, and that any amendment to or revision of the plan be completed within 12 or 18 months, respectively, after the new designation. It also allows individual management activities to continue under the plan while it is being amended or revised, if those activities either separately undergo consultation concerning the newly designated species or habitat or are determined not to require consultation.

SEC. 204. WATER QUALITY PROTECTION.—This section addresses the relationship of the Clean Water Act (CWA) to federal land planning and management. It provides that any management activity that constitutes a nonpoint source of water pollution is to be considered in compliance with applicable CWA provisions if the State in which the activity will occur certifies that it meets best management practices or their financial equivalent. The agency, however, may choose not to seek State certification and satisfy the separate applicable CWA requirements.

SEC. 205. AIR QUALITY PROTECTION.—This section addresses the relationship of the Clean Air Act (CAA) to federal land planning and management. It provides that, when a Forest Service forest supervisor or BLM district manager (after providing an opportunity for review by the appropriate Governor) finds that a prescribed fire will reduce the likelihood of greater emissions from a wildfire, and will be conducted in a manner that minimizes impacts on air quality to the extent practicable, the prescribed fire is deemed to be in compliance with applicable CAA provisions.

SEC. 206. MEETINGS WITH USERS OF THE FEDERAL LANDS.—This section addresses the

relationship of the Federal Advisory Committee Act (FACA) to federal land planning and management. It clarifies that the agencies may meet without violating FACA with one or more: holders of, or applicants for, federal permits, leases, contracts or other authorizations for use of the federal lands; other than persons who conduct activities on the federal lands; and persons who own or manage lands adjacent to the federal lands.

TITLE III—DEVELOPMENT OF A GLOBAL RENEWABLE RESOURCES ASSESSMENT

SEC. 301. PURPOSES.—The purpose of this title is to replace the Renewable Resource Assessment and Renewable Resource Program administered by the Forest Service under the Forest and Rangeland Renewable Resources Planning Act of 1974 with a Global Renewable Resources Assessment administered by an independent National Council on Renewable Resource Policy.

SEC. 302. GLOBAL RENEWABLE RESOURCES ASSESSMENT.—This section emphasizes the vital importance of renewable resources to national and international social, economic, and environmental well-being, and of the need for a long-term perspective in the use and conservation of renewable resources. To achieve that perspective, this section directs that a Global Renewable Resources Assessment be prepared every 5 years. The Assessment must include: (1) an analysis of national and international renewable resources supply and demand; (2) an inventory of national and international renewable resources, including opportunities to improve their yield of goods and services; (3) an analysis of environmental constraints and their effects on renewable resource production in the U.S. and elsewhere; (4) an analysis of the extent to which the renewable resources management programs of other countries ensure sustainable use and production of such resources; (5) a description of national and international research programs on renewable resources; (6) a discussion of policies, laws, etc. that are expected to affect significantly the use and ownership of public and private renewable resource lands; and (7) recommendations for administrative or legislative initiatives.

SEC. 303. NATIONAL COUNCIL ON RENEWABLE RESOURCES POLICY.—This section establishes the National Council on Renewable Resources Policy. Its functions are the preparation and submission to Congress of the Global Renewable Resources Assessment and the periodic submission to the Forest Service, BLM, and four Committees of Congress of recommendations for administrative and legislative changes or initiatives.

The Council has 15 members, 5 each appointed by the President, President pro tempore of the Senate, and Speaker of the House. The Chair is to be selected from the members. This section has typical provisions for filling vacancies, appointment of an Executive Director, compensation of the members and the Executive Director, appointment of personnel, authority to contract with federal agencies, and rulemaking and other powers of the Council.

This section strives to ensure the independence of the Council in three ways. First, it requires that the Council submit its budget request concurrently to both the President and the Appropriations Committees of Congress. Second, it requires concurrent submission of the Assessment, analyses, recommendations, and testimony to Executive Branch officials or agencies and the four Committees of Congress. Finally, it prohibits any attempt by a federal official or agency to require prior submission of the Assessment, analyses, recommendations, or testimony for approval, comments, or review.

SEC. 304. REPEAL OF CERTAIN PROVISIONS OF THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT.—This section repeals those provisions of the Forest and Rangeland Renewable Resources Planning Act that direct the Forest Service to prepare a Renewable Resource Assessment and Renewable Resource Program.

TITLE IV—ADMINISTRATION.

PART A. IN GENERAL

SEC. 401. CONFIRMATION OF THE CHIEF OF THE FOREST SERVICE.—This section provides for Senate confirmation of appointments to the office of Chief of the Forest Service, thereby establishing the same appointment procedures as those applicable to the Director of the BLM. This section also sets certain minimum qualifications for the appointee: (1) a degree in a scientific or engineering discipline that is relevant to federal land management; (2) 5 years or more experience in decisionmaking concerning management, or research concerning the management, of federal lands or other public lands; and (3) 5 years or more experience in administering an office or program with a number of employees equal to, or greater than, the average number of employees in national forest supervisors' offices.

SEC. 402. INTERAGENCY TRANSFER AND INTERCHANGE AUTHORITY.—This section authorizes the BLM and Forest Service to transfer between them adjacent lands not exceeding 5,000 acres or exchange adjacent lands not exceeding 10,000 acres per transaction. These transactions are: (1) to occur without tranfer of funds; (2) to be effective 30 days or more after publication of Federal Register notice; (3) not to affect any legislative designation for the lands involved; and (4) subject to valid existing rights. In response to the testimony of the President of the Wilderness Society, a proviso is added that absolutely prohibits modification or removal of any special designation of, or any special management direction applicable to, lands transferred or interchanged under this section that was made or provided by statute, except by another Act of Congress. The proviso also provides that administrative designations may be altered or removed only by amendments to the applicable resource management plans.

SEC. 403. COMMERCIAL FILMING ACTIVITIES.—This section requires the agencies to issue permits and charge fees for commercial filming and still photography on federal lands. It is modelled on S. 568, introduced by Senator Thomas.

Criteria for setting the fee for commercial filming are based on the scale of the filming activities and their potential impact on the federal lands. The agencies are also to recover any costs they incur as a result of the filming activities. The agencies are required to issue permits and collect fees for still photography when models or props not part of the federal lands or resources are used, and may issue permits and collect fees when there is a likelihood of resource impact, disruption of public use, or risk to public health or safety.

The fees and costs collected under this section are to be retained in a special account in the Treasury and used, without appropriation, for high-priority visitor or resource management activities in the federal land units where the permitted activities occurred.

SEC. 404. VISITOR FACILITIES IMPROVEMENT DEMONSTRATION PROGRAMS.—This section is modeled on legislation prepared by the Forest Service for the Administration's FY 2000 budget request. It directs the agencies to develop demonstration programs to evaluate the use of private funding for the construction, rehabilitation, maintenance, and operation of federally owned visitor centers on federal lands. Each agency is authorized to undertake up to 15 projects in which individuals, corporations, public agencies, and nonprofit groups are selected competitively to develop and operate new, or improve and operate existing, visitor centers. The terms of the projects are to be based on the agencies' estimates of the time necessary for the concessionaires to depreciate their capital investments in the projects, but in no case more than 30 years. When a project is terminated or revoked, the agency or succeeding concessionaire will purchase any remaining value in the capital investment that is not fully depreciated. The agencies are also authorized to sell existing federally owned visitor facilities at fair market value, so long as the purchasers agree that any construction will be consistent with the applicable resource management plans.

The agencies are directed to charge concession fees established by the concessionaires' competitive bids, and those fees are to be used, without appropriation, for enhancing visitor services and facilities. The concessionaires must provide bonds 5 years before the end of the projects to ensure that the visitor facilities will be in satisfactory condition for future use. The Secretary of Agriculture and the Secretary of the Interior are each required to submit a report to the four Committees of Congress evaluating the demonstration program and making any appropriate recommendations on whether to make the program permanent.

SEC. 405. FEES FOR LINEAR RIGHTS-OF-WAYS.—This section incorporates legislation prepared by the Forest Service for the Administration's FY 2000 budget request. It directs each agency to collect rental fees for all linear rights-of-way for power lines, roads, pipelines, etc. under section 501 of FLPMA and the Act of February 25, 1920, except for rights-of-way that are exempted by law or regulation.

SEC. 406. FEES FOR PROCESSING RECORDS REQUESTS.—To discourage inordinately broad ''fishing expedition'' requests under the Freedom of Information Act that severely tax agency funding and personnel, this section prohibits the waiver or reduction of fees under that Act for any records request to the Forest Service or BLM that will cost in excess of $1000 for a single request or for multiple requests of any one party within a 6-month period.

SEC. 407. OFF-BUDGET STUDY.—The SAF report speculates (pp. 27–28) that under certain assumptions the BLM and the Forest Service could become ''self-financing.'' The Committee of Scientists report (p. 179) suggests that ''the Forest Service should consider the development of more self-funding activities to reduce its dependence on appropriated funds.'' To test these speculations and suggestions, this section tasks the GAO with the responsibility to conduct a study for Congress of the feasibility of making the Forest Service and BLM self-supporting by taking the agencies off-budget (no appropriated funds) and returning to them all revenues generated on federal lands (with mineral revenues from national forest lands allocated to the Forest Service), except revenues which by other laws are paid to States and local governments.

SEC. 408. EXEMPTION FROM STRICT LIABILITY FOR THE RECOVERY OF FIRE SUPPRESSION

COSTS. Section 504 of FLPMA directed the Secretary of the Interior to promulgate regulations governing liability of users of rights-of-way granted under that Act. The subsequent regulations imposed liability without fault for, among other things, the recovery of fire suppression costs of up to $1 million (43 C.F.R. §2803.1–5). This section would amend section 504 to relieve entities that use the rights-of-way for electrical transmission from strict liability for such costs. This provision does not relieve these entities from liability for fire suppression costs when they are at fault.

PART B. NONFEDERAL LANDS

This part seeks to increase the timeliness and cost efficiency of Forest Service and BLM decisionmaking which directly affects private lands.

SEC. 409. ACCESS TO ADJACENT OR INTERMINGLED NONFEDERAL LANDS.—This section establishes procedures for processing applications for access to nonfederal land across federal land as guaranteed by section 1323 of the Alaska National Interests Lands Conservation Act (ANILCA). First, this section requires that the application processing be completed within 180 days and, if it is not, the access be deemed approved. It sets a 15-day deadline for notifying the applicant whether the application is complete. This section makes clear that the analyses conducted under the National Environmental Policy Act and Endangered Species Act are to consider the effects of the construction, maintenance and use of the access across the federal lands not the use of the nonfederal lands to be accessed. Finally, it clarifies that any restrictions imposed on the access grant pursuant to section 1323 of ANILCA may limit or condition the construction, maintenance, or use of the access across the federal lands, but not the use of the nonfederal lands to be accessed.

SEC. 410. EXCHANGES OF FEDERAL LANDS FOR NONFEDERAL LANDS.—This section establishes procedures for exchanges under, and amends, section 206(b) of FLPMA. As any management activity on any federal lands or interests in lands newly acquired under an exchange will be required to undergo full National Environmental Policy Act and Endangered Species Act review, this section provides that on the exchange itself an EA satisfies the environmental analysis requirements of section 102(2) NEPA and any consultation required under ESA will be completed within 45 days instead of the 90-day period provided by section 7 of ESA. Further, this section provides that any exchange mandated by Congress requires no NEPA documentation. This section also explicitly states that no management activity may be undertaken on the newly acquired federal lands or interests in land until NEPA and ESA are fully complied with and, if necessary, the applicable resource management plan is amended or revised. This section requires that processing of the exchange must be completed within one year of the date of submission of the exchange application. Further, the nonfederal land or interests in land in the exchange are to be appraised without restrictions imposed by federal or State law to protect an environmental value or resource if protection of that value or resource is the very reason why the land is being acquired by the federal government.

This section also allows the Forest Service and BLM to offer for competitive bid the exchange of federal lands or interests in land that meets certain conditions. It also authorizes the agencies to identify early or ''prequalify'' federal lands or interests in land for exchange. Further, when an exchange involves school trust lands, the agency is excused from conducting a cultural assessment under section 106 of the National Historic Preservation Act if it enters into an agreement with the State that ensures State protection after the exchange of archaeological resources or sites to the maximum extent practicable. Further, this section authorizes the Forest Service to exchange federally owned subsurface resources within the National Forest System or acquired under the Bankhead-Jones Farm Tenant Act of 1937.

This section establishes special funds with a cap of $12,000,000 for the agencies to use, subject to appropriations, for processing land exchanges (including making cash equalization payments where required to equalize values of exchange properties). Finally, the maximum value of lands in an exchange which may be undertaken on the basis of approximately equal value (rather than strictly equal value) is raised from $150,000 to $500,000.

PART C. THE FOREST RESOURCE

This part contains 5 sections concerning sales of forest products on federal lands. This bill drops a provision contained in its predecessors that allowed bidding on timber sales for the express purpose of protecting—not harvesting—the trees. This provision had the distinction of garnering opposition from both the timber industry and the environmental community.

SEC. 411. TIMBER SALE PREPARATION USER FEE.—This section is modeled on legislation prepared by the Forest Service for the Administration's FY 2000 budget request. It authorizes the agencies to develop 8-year pilot programs to recover from timber purchasers the direct costs of timber sale preparation and harvest administration. Alternatively, purchasers can elect to contract with parties on approved agency lists to conduct timber sale administration activities. Exempted from collection under the programs would be the costs of complying with the National Environmental Policy Act, conducting stewardship timber sales under section 347 of the fiscal year 1999 Interior and Related Agencies Appropriation Act, and conducting timber sales where the fees would adversely affect the sales' marketability or the ability of small businesses to bid on the sales. Fees collected are to be used to pay for the administration of the pilot programs.

SEC. 412. FOREST HEALTH CREDITS IN SALES OF FOREST PRODUCTS.—This section provides the Forest Service and BLM with an optional approach to undertaking forest health management activities that would be impractical for the agencies to accomplish under existing procedures or within existing programs. This approach permits the agencies to include new provisions in the standard contract provisions for any salvage sale of forest products or any sale of forest products constituting a forest health enhancement project under section 413. These new provisions would obligate the purchaser to undertake certain forest health management activities which could logically be performed as part of the sale. In return, the purchaser receives ''forest health credits'' to offset the cost of performing the activities against the purchaser's payment for the forest products. These forest health management activities are subject to the same contractual requirements as all other harvesting activities. Sale contracts with these forest health credits provisions are to have terms of no more than 3 years.

Before forest health credits provisions can be included in a contract of sale of forest products, the agency concerned has to identify and select the specific forest health management activities. Forest health activities would be eligible for forest health credits if the agency concerned finds that: (1) they would address the effects of the operation of the sale or past sales, or involve vegetation management within the sale area; and (2) they could be accomplished most effectively when performed as part of the sale contract, and would not likely be performed otherwise. Forest health management activities are defined to include thinning, salvage, stand improvement, reforestation, prescribed burning or other fuels management, insect or disease control, riparian or other habitat improvement, or other activity which has any of 5 purposes: improve forest health; safeguard human life, property, and communities; protect other forest resources threatened by adverse forest health conditions; restore the integrity of ecosystems, watersheds, and habitats damaged by adverse forest health conditions; or protect federal investments in forest resources and future federal, State, and local revenues.

Once the determination is made to add forest health management activities requirements to a sale of forest products, the specific activities are identified, and their costs are appraised, the required activities and the forest health credits assigned to those activities are identified in the sale's advertisement and prospectus. (After the sale, the agency, with the concurrence of a sale purchaser, can alter the scope of the forest health management activities or amount of credits when warranted by changed conditions.) This section provides that sales with forest health credits need not return more revenues than they cost and are not to be considered in determining the revenue effects of individual forest, Forest Service region, or national forest products sales programs.

Appropriated funds can be used to offset the costs of forest health management activities prescribed in a forest products sale contract (typically when the total cost of such activities would otherwise exceed the value of the offered forest products materials or likely dampen competitive interest in the sale), but only if those funds are derived from the resource function or functions which would directly benefit from the performance of the activities and are appropriated in the fiscal year in which the sale is offered. The amount of any appropriated funds to be paid for forest health management activities under a sale contract also must be announced in the sale's advertisement and prospectus.

All forest health credits earned by the purchaser are redeemable. Earned forest health credits can be transferred to any other sale of forest products held by the purchaser which is located in the same region of the Forest Service or same jurisdiction of the BLM State office, as the case may be. The credits are considered ''earned'' when the purchaser satisfactorily performs the forest health management activity to which the credits are assigned in the sale advertisement. If the purchaser normally would be required to pay for all the forest products materials prior to completion of a forest health management activity or activities assigned forest health credits, the purchaser could elect to defer a portion of the final payment for the harvested materials equal to the forest health credits assigned to the activity.

This section sunsets in 5 years, but previously awarded contracts for sale of forest products with forest health credits provisions remain in effect under the terms of this

section after that time. To assist the Congress in determining whether this section should be reenacted, the Forest Service and BLM are required to monitor the performance of sales contracts with forest health credits and submit a joint report to Congress assessing the contracts' effectiveness and whether continued use of such contracts is advised.

SEC. 413. SPECIAL FUNDS.—This section gives permanent status to the funds for salvage sales of forest products of the Forest Service and BLM and expands their purposes to allow use of the fund monies for a full array of forest health enhancement projects.

SEC. 414. PRIVATE CONTRACTORS.—To ensure that processing of sales of forest products is accomplished in a timely manner in an era of severe budget and personnel constraints, this section encourages that the agencies, to the maximum extent possible, use private contractors to prepare the sales. To ensure the integrity of sale decision-making, this section also requires the agencies to review the contractors' work before making any decisions on the sales and bars the contractors from commenting on or participating in the sales' decisions.

SEC. 415. SPECIAL FOREST PRODUCTS.—This section is modeled on legislation prepared by the Forest Service for the Administration's FY 2000 budget request. It directs the Forest Service to collect fees for the fair market value (established by appraisal methods or bidding procedures) of special forest products harvested from national forest lands and the costs for authorizing and monitoring the harvesting. Special forest products are defined as any vegetation or other life form not excluded from fees by regulation. The Forest Service is to use the fair market value fees collected under this section for conducting inventories of special forest products and assessing and addressing any impacts from harvesting activities, and the recovered costs for administration of the program.

TITLE V—MISCELLANEOUS

SEC. 501. REGULATIONS.—This section requires the Forest Service and BLM to promulgate rules to implement this legislation within a year and a half of its enactment.

SEC. 502. AUTHORIZATION OF APPROPRIATIONS.—This section authorizes appropriations to implement this legislation for 10 fiscal years after enactment. It also sunsets at the same time all other statutory authorizations for appropriations to the Forest Service and BLM for management of the federal lands.

SEC. 503. EFFECTIVE DATE.—This section provides that this legislation will take effect upon its enactment, and admonishes that no decision or action authorized by this legislation is to be delayed pending rulemaking.

SEC. 504. SAVINGS CLAUSES.—This section ensures that nothing in this legislation conflicts with the law pertaining to the revested Oregon and California Railroad and Coos Bay Wagon Road grant lands in Oregon. Further, this section bars construing any provision of this legislation as terminating any valid lease, permit, right-of-way, or other right or authorization of use of the federal land existing upon enactment and as altering in any way any Native American treaty right. Finally, this section provides that all actions under this legislation are subject to valid existing rights.

SEC. 505. SEVERABILITY.—This final section contains the standard severability clause.

By Mr. WELLSTONE (for himself and Mrs. MURRAY):

S. 1321. A bill to amend title III of the Family Violence Prevention and Services Act and title IV of the Elementary and Secondary Education Act of 1965 to limit the effects of domestic violence on the lives of children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

CHILDREN WHO WITNESS DOMESTIC VIOLENCE PROTECTION ACT OF 1999

Mr. WELLSTONE. Mr. President, today, I am introducing the Children Who Witness Domestic Violence Protection Act. My legislation, which I am joined by Senator MURRAY in offering today, is a comprehensive first step towards confronting the impact that witnessing domestic violence has on children. This bill addresses the issue from multiple perspectives, including mental health, education, child protection services, supervised visitation centers, law enforcement, and crisis nurseries.

There are many facets to the serious problem we have with violence in our country. The evening news brings violent images from around the world into our homes every day. We also witness through various media the violent images or hear stories of violence that has occurred in our own communities and in our schools like Columbine High.

Images of violence bombard our children from the movies, video games, or from television programs. But there is a type of violence in the lives of America's children that is not in the spotlight. Increasingly, children are witnessing real-life violence in their homes. In fact, it is in their own homes that many children witness violence for the first time.

Over 3 million children are witnessing violence in their homes each year, and it is having a profound impact on their development.

Frequently, these children are physically injured by the violence. But always, they carry with them lasting emotional sears from having been exposed to the threat and trauma of injury, assault or killing. This exposure to domestic violence changes the way children view the world. It may change the value they place on life itself. It affects their ability to learn, to establish relationships, and to cope with stress.

Witnessing domestic violence has such a profound impact on children, placing them at high risk for anxiety, depression, and, potentially, suicide. Further, these child victims may exhibit more aggressive, antisocial, and fearful behaviors. They are also at greater risk of becoming future offenders.

Studies indicate that children who witness their fathers beating their mothers suffer emotional problems, including slowed development, sleep disturbances, and feelings of helplessness, depression and anxiety. Many of these children exhibit more aggressive, antisocial, fearful and inhibited behaviors. They also show lower social competence than other children.

Children from homes where their mothers were abused have also shown less skill in understanding how others feel and in examining situations from the other's perspective when compared to children from non-violent households. Even one episode of violence can produce post-traumatic stress disorder in children.

Exposure to family violence, many studies suggest, is the strongest predictor of violent delinquent behavior among adolescents. It is estimated that between 20 and 40 percent of chronically violent adolescents have witnessed extreme parental conflict.

Recent studies have demonstrated that up to 50% of children who come before the juvenile dependency court on allegations of abuse and neglect have been exposed to domestic violence in their homes.

In a Justice Department funded study of children in Rochester, NY, children who had grown up in families where domestic violence occurred were 21 percent more likely to report violent delinquency than those not so exposed. Children exposed to multiple forms of family violence reported twice the rate of youth violence as those from non-violent families.

A 1994 survey of 115 mothers in the waiting room of Boston City Hospital's Primary Care Clinic found that by age 6, one in ten children had witnessed a knifing or shooting. An additional 18 percent of the children under six had witnesses pushing, hitting or shoving. Half of the reported violence occurred in the child's home.

Many children actually see their father, stepfather, or mother's boyfriend not only beat their mothers but rape them as well. Although some parents believe that they succeed in shielding their children from the batterer's aggression, children often provide detailed accounts of the very events which adults report they did not witness. Reports by children and by adults of their memories of childhood experience indicate that parents severely underestimate the extent to which their children are exposed to violence.

Children who witness domestic violence are traumatized and need support. Who is a child going to turn to when their mother is the victim of their father? Who is a child going to talk to when their sibling has emotionally shut down and no longer speaks? Who is a child going to go to for help when they need assistance?

Children have the right to know that what is happening in their home is wrong. Children have the right to feel that we are about their safety.'

This bill addresses the issue from multiple perspective including mental health, education, children protection services, supervised visitation centers, law enforcement, and crisis nurseries.

There are some creative programs in this country that are forging partnerships in their communities to meet the

needs of traumatized children. I have visited such programs in Boston, San Francisco and Minnesota.

More must be done.

To address the devastating impact that witnessing domestic violence has on the mental health of children, my legislation provides nonprofit agencies with the funds needed to design and implement multi-system interventions for child witnesses. This partnerships would involve the courts, schools, health care providers, child protective services, battered women's programs and others. Promoting collaboration and coordination among all the professionals involved can broaden the community's response to the child.

This response would include developing and providing: Guidenace to evaluate the need of child witnesses; safety and security procedures for child witnesses and their families; counseling and advocacy for families of child witnesses; mental health treatment services; and outreach and training to community professionals.

My legislation also encourages collaboration between domestic violence community agencies and schools to provide educational programming and support services for students and staff. Domestic violence agencies will work with schools to provide: Training for school officials about domestic violence and its impact on children; educational programming and materials on domestic violence for students; and support services, such as counselors, for students and school officials.

Among the many detrimental impacts of witnessing domestic violence, children exposed to domestic violence are at high risk for learning difficulties and school failure. Research indicates that children residing in shelters show significantly lower verbal and quantitive skills when compared to children nationally. These deficits, when coupled with the impact on children's behavioral and emotional functioning, demand that schools be able to understand and address the needs of children who have witnessed domestic violence. Further, service providers continue to find that the occurrence of domestic violence could be detected sooner if various points of contact with the family had been better trained to recognize the indicators of such family violence.

Children cannot always compartmentalize traumatic events—instead the domestic violence comes to school with each and every child witness. It undermines their school performance, and their relationship with other children.

This legislation also addresses domestic violence and the people who work to protect our children from abuse and neglect. There is a significant overlap between domestic violence and child abuse. In families where one form of family violence exists, there is a likelihood that the other does, too. In a national survey, researchers found that 50 percent of the men who frequently assaulted their wives also frequently abused their children.

The problem is that Child Protective Services and domestic violence organizations have separately set up programs to address one of these forms of violence, yet few address both when they occur together in families. My bill creates incentives for local governments to collaborate with domestic violence agencies in administering their child welfare programs.

Under my legislation, funds will be awarded to States and local governments to work collaboratively with community-based domestic violence programs to: Provide training to the staff, supervisors, and administrators of child welfare service agencies and domestic violence programs, including staff responsible for screening, intake, assessment, and investigation of reports of child abuse and neglect; assist agencies in recognizing that the overlap between child abuse and domestic violence places both children and adult victims in danger; develop relevant protocols for screening, intake, assessment, investigation, and interventions; and increase the safety and well-being of child witnesses of domestic violence as well as the safety of the non-abusing parent.

Another important part of my legislation is funding to increase the availability of supervised visitation centers. Since domestic violence often escalates during separation and divorce, and visitation is frequently used as an opportunity for abuse, this provision is designed to shield children from further exposure to violence. It creates a grants program which domestic violence service providers can apply for on a competitive basis to create family visitation centers. Use of these centers can minimize stressful and potentially dangerous interactions among family members. In addition, the centers provide judges with a further tool to deal with problematic visitations when there has been a history of violence.

On July 3, 1996 5 year old Brandon and 4 year old Alex were murdered by their father during an unsupervised visit. Their mother Angela was separated from Kurt Frank, the children's father. During her marriage, Angela was physically and emotionally abused by Frank, and Frank had hit Brandon and split open his lip when he stepped in front of his mother during a domestic violence incident. Angela had an Order of Protection against Kurt Frank, but during custody hearings her request for her husband to only receive supervised visits was rejected. Kurt Frank murdered his two sons during an unsupervised visit. We must do better for the 3 million children witnesses still living out there.

Law enforcement officers are those who find traumatized children hiding behind doors, beneath furniture, in closets. They are generally the first to arrive and their ability to recognize and address the needs of the children is critical.

This bill provides further training to law enforcement officers regarding the appropriate treatment of children who have witnessed domestic violence. Police officers will be trained in child development and issues related to domestic violence so that they may: Recognize the needs of children who have witnessed domestic violence; meet children's immediate needs at the scene of the crime; and establish a collaborative working relationship between police officers and local domestic violence service agencies.

Families faced with domestic violence also need a safe place for their children during times of crisis.

This legislation provides funds to States to assist private and public agencies and organizations to provide crisis nurseries for children who are abused, neglected, at risk of abuse or neglect, or who are in families receiving child protective services. Nurseries will be available to provide a safe place for children and to alleviate the social and emotional stress among children and families impacted by domestic violence.

In conclusion, we must pass this legislation for children who are traumatized by what they have seen. We must pass this legislation for children like Brandon and Alex who deserve to have our protection from harm.

Please join me in the protection of children who witness domestic violence.

Mr. President, I ask unanimous consent that the summary of the bill be printed in the RECORD.

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

CHILDREN WHO WITNESS DOMESTIC VIOLENCE PROTECTION ACT OF 1999—SUMMARY

The Children Who witness Domestic Violence Protection Act is a comprehensive first step toward confronting the impact that witnessing domestic violence has on children. Over 3 million children in the United States witness domestic violence in their homes each year. These children are at a high risk for aggression, depression, learning difficulties, school failure, delinquency, and even suicide. The attitudes a child develops concerning the use of violence and conflict resolution in their own relationship are also affected. Further, children living in homes where domestic violence occurs are at a greater risk of being abused themselves. This bill addresses the needs of children witnesses domestic violence by providing for mental health services, education programs, child protection services, supervised visitation centers, the training and support of law enforcement personnel, and crisis nurseries.

MENTAL HEALTH

Multi-System Interventions for Children Who Witness Domestic Violence.

This bill will provide nonprofit agencies with funding to bring various service providers together to design and implement intervention programs for children who witness domestic violence. These working partnerships will involve counselors, courts, schools, health care providers, battered women's programs and others. Intervention programs will include counseling and advocacy for child witnesses and their families, strategies to ensure the safety and security of the children and their families, and outreach and training to community professionals about the issue of children witnessing domestic violence. Funds can be use to develop new programs or to carry out programs that have been successful in other communities. Authorization of appropriations for the multi-system interventions is $5,000,000 for 3 years (totaling $15,000,000).

EDUCATION

Combatting the Impact of Witnessing Domestic Violence on Elementary and Secondary School Children.

This bill will create opportunities for domestic violence community agencies and elementary and secondary schools to work together to address the needs of children who witness domestic violence. Domestic violence agencies will work with schools to provide domestic violence training to school officials so they can understand how witnessing domestic violence affects the children in their schools. Educational programming and materials will be provided to students to they can learn about the problem. Also, support services such as counselors will be provided for students and school officials to help address the problems of children witnessing domestic violence. Authorization of appropriations for combating the impact of witnessing domestic violence on school children is $5,000,000 for 3 years (totaling $15,000,000).

CHILD PROTECTION SERVICES

Child Welfare Worker Training on Domestic Violence.

This bill will provide training to both child welfare and domestic violence workers to assist them in recognizing the treating domestic violence as a serious problem threatening the safety and well being of both children and adults. Funds will be awarded to States and local governments to work with one or more community-based programs to provide training and assistance to workers in the area of domestic violence as it relates to cases of child welfare.

Training will include teaching staff to recognize the overlap between child abuse and domestic violence which places both children and adult victims in danger, and developing methods for identifying the presence of domestic violence in child welfare cases. Staff will also be taught how to increase the safety and well-being of child witnesses of domestic violence as well as the safety of the non-abusing parent. Protocols will be developed with law enforcement, probation and other justice agencies in order to ensure that justice system interventions and protections are readily available for victims of domestic violence served by the social service agency.

Authorization of appropriations for child welfare worker training is $5,000,000 for 3 years (totaling $15,000,000).

SUPERVISED VISITATION CENTERS

This bill increases the availability of visitation centers for visits and visitation exchange of child witnesses and their parents. It provides money which domestic violence service providers can use to establish an operate supervised visitation centers. Authorization of appropriations for safe havens from the Violent Crime Reduction Trust Fund is $20,000,000 for 3 years (totaling $60,000,000).

LAW ENFORCEMENT: POLICE OFFICER TRAINING

This bill provides training to law enforcement officers in how to care for children who have witnessed domestic violence. Police officers will be trained in child development and issues related to domestic violence so that they may recognize the needs of children who have witnessed domestic violence. Police officers will be taught how to meet children's immediate needs at the scene of violence. Authorization of appropriations for law enforcement officer training from the Violent Crime Reduction Trust Fund is $3,000,000 for 3 years (totaling $9,000,000).

CRISIS NURSERIES

This bill provides funds to States to assist private and public agencies and organizations to provide crisis nurseries for children. Families faced with domestic violence need a safe place for their children during times of crisis. Authorization of appropriations for crisis nurseries of $15,000,000 for 3 years (totaling $45,000,000).

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. DODD, and Mr. KENENDY):

S. 1322. A bill to prohibit health insurance and employment discrimination against individuals and their family members on the basis of predictive genetic information or genetic services; to the Committee on Health, Education, Labor, and Pensions.

THE GENETIC NONDISCRIMINATION IN HEALTH INSURANCE AND EMPLOYMENT ACT OF 1999

Mr. DASCHLE. Mr. President, today, with my colleagues Senators KENNEDY, HARKIN, and DODD, I announce the introduction of the Genetic Nondiscrimination in Health Insurance and Employment Act of 1999, a piece of legislation designed to stop genetic discrimination. The advent of testing for genes that indicate a predisposition to disease has presented us with a new series of opportunities and challenges. While prior awareness of susceptibility to disease offers millions the chance to take preventive measures that will help them live healthier and longer lives, there also exists the possibility that genetic information will be misused. It is for that reason that we Democrats feel strongly that measures must be taken to ensure that health insurers may not discriminate against patients on the basis of predictive genetic information, and that employers may not discriminate against employees in the provision of health insurance or by withholding job benefits as a result of the improper use of genetic information.

When the Patients' Bill of Rights reaches the floor after the July recess, we hope to offer this bill as an amendment to the bill under consideration. This issue, like many others, exposes a fault line between the Republican and Democratic approach to health insurance reform.

Scientific advances now make it possible to identify genes that indicate a predisposition to disease. For example, tests for genes associated with hereditary breast cancer are commercially available. Genetic information may prove highly beneficial in areas related to prevention, treatment, diet, or lifestyle. While this is profoundly good news for patients, it also raises fears regarding how genetic information will be used in the workplace. Advances in genetic and screening, accelerated by the Human Genome Project at the National Institutes of Health, increase physicians' ability to detect genetic mutations. These technologies and their resulting genomic data will enhance medical science, but may also lead to discrimination.

Regrettably, many employers may not hire individuals whom they believe will require time off or medical treatment at some point in the future due to a genetically transmitted disease. Equally disturbing, employers may simply deny insurance coverage to employees who they believe are predisposed to genetic disease. This discrimination could result despite the fact that genetic testing only indicates that an individual may be predisposed to a disease—not necessarily whether that disease will develop.

This issue is already touching the lives of many Americans. For example, a survey last year by the American Management Association of over 1,000 companies indicated that 5% of responding employers currently do genetic testing of their employees. While that number may sound small, its more than the number of companies who test for HIV status. And of those companies who do genetic testing on their employees, 19% have chosen not to hire an individual and 10% have dismissed an employee based on the genetic test results.

Anecdotal evidence suggests that fear of discrimination already has inhibited people who may be susceptible to disease from getting genetic testing. In some cases, this means that gene carriers will miss out on early diagnosis, treatment or even prevention. If consumers avoid taking advantage of available diagnostic tests out of fear of discrimination, they may suffer much more serious—and more expensive—health problems in the long run.

That is why our proposal to ban employment discrimination is clearly supported by the American people. A recent national poll by the National Center for Genome Resources demonstrates that an overwhelming majority of those surveyed—85%—think that employers should be prohibited from obtaining information about an individual's genetic conditions, risks, and predispositions.

We will pay the price in more than increased health care costs if we allow genetic information to be used in a discriminatory manner. Discrimination based on genetic factors can be as unjust as that based on race, national origin, religion, sex or disability. In each case, people are treated inequitably, not because of their inherent abilities, but solely because of irrelevant characteristics. Genetic discrimination that excludes qualified individuals from employment robs the marketplace of skills, energy, and imagination. Finally, genetic discrimination undercuts the Human Genome Project's fundamental purpose of promoting public health. Investing resources in the Human Genome Project is justified by the benefits of identifying, preventing and developing effective treatments for disease. But if fear of discrimination deters people from genetic diagnosis or from confiding in physicians and genetic counselors, and makes them more concerned with job loss than with care and treatment, our understanding of the humane genome will be for naught.

Because genetic information could be used unfairly, Congress must expand the scope of its anti-discrimination laws to include a ban on genetic discrimination. Our bill has three major components: (1) it forbids employers from discriminating in hiring or in the terms and conditions of employment on the basis of genetic information, (2) it forbids health insurers from discriminating against individuals on the basis of genetic information, and (3) it prevents the disclosure of genetic information to people who have no legitimate need for the information: health insurers, health insurance data banks, or to employers.

Now, before the use of genetic information becomes widespread, we must make sure that dramatic scientific advances do not have negative consequences for the public. We have an historic opportunity to preempt this problem. I hope that my colleagues will join me in supporting this important legislation.

Mr. DODD. Mr. President, over the past decade the science of identifying genetic markers for diseases has evolved at an astonishing pace. For an increasing number of Americans science fiction has become reality—their doctors can now scan their unique genetic blueprints and predict the likelihood of their developing diseases like cancer, Alzheimer's or Parkinson's.

Armed with this knowledge, individuals and families can make informed decisions about their health care including, in some cases, even taking steps to prevent the disease or to detect and treat it early.

Unfortunately, phenomenal advances in our knowledge about genetics have outpaced the protections currently provided in law. Thus, the potential also exists for this remarkable new information—which is making such a difference in people's lives in terms of their health—this information could always be used by health insurers, employers, or others to deny health coverage or job opportunities to people.

We know the Federal and State laws currently offer only a patchwork of protections against the misuse of genetic information. While the Health Insurance Portability and Accountability Act of 1996 took important first steps toward prohibiting genetic discrimination in health insurance, it left large gaps. For example, it does not prohibit insurers from requiring genetic testing or from disclosing genetic information and offers no protection at all for people who must buy their insurance in the individual market.

While several States—including my own—have enacted legislation prohibiting health insurance discrimination, these laws cannot protect more than 51 million American individuals in employer-sponsored, ''self-funded'' health plans. Additionally, few States have chosen to address the issue of employment discrimination or the separate issue of the privacy of genetic records.

I have personal experience that this issue is not a partisan issue. Two years ago, my distinguished friend and colleague from New Mexico, Senator DOMENICI, and I introduced one of the first bills on this critical topic addressing both insurance and employment discrimination.

Last year, along with many of my Democratic colleagues, I joined Senator SNOWE of Maine in supporting strong legislation protecting patients from genetic discrimination in insurance.

Today I am pleased to join my colleagues, Senator DASCHLE, Senator HARKIN, and Senator KENNEDY, in introducing comprehensive legislation to safeguard the privacy of genetic information and to prohibit health insurance or employment discrimination based on genetic information.

Specifically, this legislation, which we call the Genetic Nondiscrimination Health Insurance and Employment Act, would prohibit health insurers from discriminating based on genetic predisposition to an illness or condition and would prevent insurers from requiring applicants for health insurance to submit to genetic testing.

This bill would also address the concerns about employment discrimination by preventing employers from firing or refusing to hire individuals who may be susceptible to a genetic condition.

Finally, this legislation would hold employers and insurers accountable by imposing strong penalties on those who violate these previous just stated provisions.

In a few short years researchers will have the ability to translate the entire genetic code, revealing each individual's unique genetic blueprint. It is an astonishing prospect. Last year, in a visit I made to Yale University's Genetic Testing Center, I had the opportunity to see into the future and glimpse cutting-edge uses of this technology. I also had the opportunity to hear of the fears expressed by patients at this center.

As an aside, we are talking about predisposition. We are now reaching a point on breast cancer in women, through tests being done over the years on twins, where we are able to determine almost at birth the likelihood or the probability of a woman contracting breast cancer at the time of that child's birth—looking into the future based on the genetic markers.

That is profound information. It could make a huge difference to be able to know early on about a predisposition based upon your genetic makeup, knowing you have a probability or a likelihood later in life of contracting certain diseases. That allows that individual and that family early on to take the steps through diet and/or mediation, prescriptions, and so forth, to avoid the possibility of contracting these dreaded diseases. That is the great news. It is phenomenal. It is happening at such a pace, it is hard to believe.

As we gather this information that a person may be, based upon their genetic makeup, susceptible to breast cancer, Alzheimer's, Parkinson's disease, or other forms of cancer, that information ought to be protected. I believe it should. It is one thing if you have a condition and you keep that from an employer and they hire you and they want to know whether or not you have a condition. I don't think anyone ought to be allowed to deny revealing information that an employer ought to have. But a predisposition—that information ought not to deprive you of a job or health insurance just because that genetic information indicates that may be the case.

This is what happens. While I visited this wonderful Genetic Testing Center at Yale University, I met with some patients and the researchers who do this work. They asked me to pay attention and listen to a couple of patients with whom they work.

Keith Hall has been a patient at Yale for several years, since he was first diagnosed with something called tuberous sclerosis. Let me explain what that is. It is a genetic disease that causes tumors of the brain, kidney, and other organs, and sometimes mental retardation. Keith, obviously, worries about what will happen to his insurance if he ever has to switch jobs with that condition.

I also met with Ashley Przybylski, an 11-year-old girl from Oxford, CT. Ashley suffers from a genetic nutritional disorder that can cause seizures and brain damage. Currently, the family insurance covers the exorbitant cost of medication that keeps her healty—about $33,000 a year. Ashley faces the prospect of being denied coverage when she gets older.

While we as a nation welcome these scientific achievements—we will be able to determine in the case of both Keith and Ashley that they have a predisposition for tuberous sclerosis or genetic nutritional disorders—if both this child and this individual were to be denied employment or insurance because of a genetic predisposition because that information becomes available, that is wrong and should be corrected.

This legislation is designed to try to provide this kind of protection to people as we move forward with the wonderful information gathering of genetic information.

The issue is too important to ignore for another year. Each day that passes, more individuals suffer discrimination. Each day we fail to act, more families are forced to make decisions about genetic testing based not on health care but on fear.

I pledge my commitment to ensuring that progress on the Human Genome Project is matched against the potential discrimination in establishing some fundamental rights of privacy.

I welcome comments from my colleagues and others who may be interested in being a part of this effort to try to get ahead of the curve as we deal with the wonderful news of genetic marking that can make such a difference in people's lives.

Mr. HARKIN. Mr. President, genetic discrimination is a terribly important issue and one that I have been following for quite some time now. I am pleased to be here today with Senator DASCHLE, SENATOR DODD, and Senator KENENDY to introduce the ''Genetic Non-discrimination in Health Insurance and Employment Act of 1999.''

The advances we have made recently in the study of the human gene are mind-boggling. The identification of a number of disease-related genes is providing scientists with important new tools for understanding the underlying mechanisms for many illnesses. Genomic technologies have the potential to lead to better diagnosis and treatment, and ultimately to the prevention and cure of many diseases and disabilities.

Yet discrimination in health insurance and employment, and the fear of potential discrimination, threaten our ability to conduct the very research we need to understand, treat, and prevent genetic disease. Moreover, discrimination—and the fear of discrimination—threaten our ability to use new genetic technologies to improve human health.

Let me give you just a few examples:

In the early 1970's some insurance companies denied coverage and some employers denied jobs to African-Americans who were identified as carriers for sicklecell anemia, even though they were healthy and would never develop the disease.

More recently, in a survey of people in families with genetic disorders, 22% indicated that they, or a member of their family, had been refused health insurance on the basis of their genetic information.

And a number of researchers have been unable to get individuals to participate in cancer genetics research. Fear of discrimination is cited as the reason why.

But this is more than just about numbers and anonymous individuals, it's about real people—including my own family. As many of you know, both my sisters died from breast cancer. And other members of my family might be at risk. Should I counsel them to get tested for the BRCA1 and BRCA2 mutations? Should I counsel them to disclose our family history to their health care providers?

Right now, I'm torn. I know that if my family is to have access to the best available interventions and preventive care, they should get tested, and they should disclose our family's medical history to their physicians. But, conversely, if they are to get any health care at all, they must have access to health insurance. Without strong protections against discrimination, access to health insurance is currently in question.

In 1995, I introduced an amendment during the markup of the Health Insurance Portability and Accountability Act. My amendment clarified that group health plans could not establish eligibility, continuation, enrollment, or contribution requirements based on genetic information. My amendment became part of the manager's package that went to the floor, and it ultimately became law.

HIPAA is a good first step. We should be proud of that legislation. Yet if our goal is to ensure that individuals have access to health insurance coverage and to employment opportunities—regardless of their genetic makeup—we must pass comprehensive anti-discrimination protections.

Our proposed legislation offers such protections. Let me describe them in brief:

First, this legislation prohibits insurers and employers from discriminating on the basis of genetic information. It is essential to prohibit discrimination both at work and in health insurance coverage. If we only prohibit discrimination in the insurance context, employers who are worried about future increased medical costs will simply not hire individuals who have a genetic predisposition to a particular disease.

Second, under our proposal, health insurance companies are prohibited from disclosing genetic information to other insurance companies, industry-wide data banks, and employers. If we really want to prevent discrimination, we should not let genetic information get into the wrong hands.

Finally, if protections against genetic discrimination are to have teeth, we must include strong penalties and remedies to deter employers and insurers from discriminating in the first place.

In closing, let me say that this legislation will ensure that every American will enjoy the latest advances in scientific research and health care delivery, without fear of retribution on the basis of their sensitive genetic information. All of us should be concerned about this issue, because all of us have genetic information that could be used against us. As we move into the new millennium, everyone should enjoy the benefits of 21st century technologies—and not be harmed by 21st century discrimination.

I applaud the committment of my fellow co-sponsors on this important issue and look forward to working with the rest of my colleagues to pass federal legislation that will prohibit genetic discrimination in the workplace and in health insurance.

Mr. KENNEDY. Mr. President, the Nation is making extraordinary progress in biomedical research. The National Institutes of Health will have developed a working draft of the entire human genome by next spring. Comprehensive knowledge of the genetic sequence will enable researchers to identify large numbers of mutations associated with disease. Understanding the molecular basis of hereditary diseases will expedite the search for more effective treatments and cures. The benefits for patients are likely to be unparalleled in the history of medicine.

But this new scientific knowledge also raises a number of ethical, legal, and social questions. The National Institutes of Health is dealing with many of these challenges through programs funded by the National Human Genome Research Institute.

Congress also has a key role to play in this process, especially in dealing with genetic discrimination, which is an increasingly serious problem in health insurance and the workplace. A 1996 study in ''Science and Engineering Ethics'' documented more than 200 cases of discrimination against individuals with genetic predispositions to certain diseases, even though the individuals have no symptoms of the disease as yet. For example, some employers have used genetic screening to identify African Americans with the gene mutation for sickle cell anemia. Those with the sickle cell gene mutation were denied jobs, even though many were only carriers of the mutation and would never become ill themselves.

In other cases, persons at risk for Huntington's disease have been denied health insurance and have lost their jobs. Similar concerns are arising in the wake of research showing a genetic basis for breast cancer. Ethnic groups who were participants in research to identify disease-related genes are increasingly concerned about the adverse effects on their insurance coverage and their jobs. Even at the National Institutes of Health, 32% of women offered a test for a genetic mutation related to breast cancer refused to take the test, citing concerns about possible discrimination and the loss of privacy.

To deal with this issue, Senator DASCHLE, Senator HARKIN, Senator DODD, and I are introducing legislation to ban genetic discrimination by both health insurers and employers. Our proposal is the culmination of years of work and debate over genetic discrimination. The proposal that we are introducing today is based on our belief that neither your health insurer nor your employer should be able to discriminate against you based upon your genetic information. In this era, when many people obtain their health insurance through their employer, it is especially critical that both health insurers and employers are prohibited from disclosing genetic information to each other. Proposals that do not address both the insurance and the employment aspects of the issue will not truly prevent genetic discrimination.

Our legislation prohibits health insurers from setting premiums and defining eligibility on the basis of genetic information. Because we believe that genetic testing is a decision that patients should make with their physicians, our bill prohibits insurers from suggesting or requiring patients to undergo genetic testing. Because insurers do not need to know genetic information for most situations, our bill prohibits them from requesting, collecting, or purchasing genetic information. In addition, the bill does not allow health insurers to share genetic information with each other, to disclose genetic information to industry-wide data banks, or to disclose genetic information to employers.

We know that employers are beginning to collect genetic information and discriminate against applicants and employees. Many examples illustrate the problem on a personal level, such as the story of Christine, in Milwaukee, WI. One of Christine's parents developed Huntington's disease, which meant that Christine had a 50% chance that she had inherited the mutant gene that would cause her to develop the disease. Christine decided to undergo a genetic test to determine whether she had inherited the mutation. She traveled to the University of Michigan in Ann Arbor for the test, and paid for the test herself. A co-worker in the small firm where Christine worked overheard Christine making the arrangements for the test and told Christine's supervisor. Her supervisor was initially sympathetic and offered to help. Christine then underwent the genetic test and learned that she had indeed inherited the mutation and would therefore eventually develop the disease. When Chistine shared this information with her supervisor, she was fired, despite a series of outstanding job evaluations. Now, because of Christine's experience, none of her siblings are willing to have the genetic test.

This type of blatant discrimination must be stopped. Our legislation prohibits employers from collecting genetic information from any source, including health insurers, and from making any type of employment decision based on genetic information.

We should all be concerned about genetic discrimination, because we all have mutations in our genes, and medical researchers are discovering new relationships between genes and diseases. Without legislative action, genetic discrimination will intensify as more genes associated with specific diseases are discovered, and as genetic testing becomes more common. Earlier this week, Vice President GORE proposed a challenge to the biomedical research community—to identify all genes associated with cancer by the year 2002.

Our legislation is supported by the Alliance to Genetic Support Groups, the National Partnership for Women and Families, the American Civil Liberties Union, and Hadassah.

Congress should act quickly to pass legislation to ban genetic discrimination in health insurance and the workplace, so that we can benefit from those research advances without the threat that people will lose their jobs or their health insurance.

I ask uninamous consent that their letters of support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL BREAST CANCER COALITION,
July 1, 1999.

Hon. TED KENNEDY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the National Breast Cancer Coalition (NBCC), I am writing to thank you for your leadership in offering the Genetic Nondiscrimination in Health Insurance and Employment Act of 1999. As you know, NBCC is a grassroots advocacy organization made up of over 500 organizations and tens of thousands of individuals, their families and friends. We are dedicated to the eradication of the breast cancer epidemic through action and advocacy. Addressing the complex privacy, insurance and employment discrimination questions raised by evolving genetic discoveries is one of our top priorities.

Discrimination in health insurance and employment is a serious problem. In addition to the risks of losing one's insurance or job, the fear of potential discrimination threatens both a woman's decision to use new genetic technologies and seek the best medical care from her physician. It also limits the ability to conduct the research necessary to understand the cause and find a cure for breast cancer.

The Kassebaum-Kennedy Health Insurance Reform Act (1996) took some significant steps toward extending protection in the area of genetic discrimination in health insurance. But it did not go far enough. Moreover, since the enactment of Kassebaum-Kennedy, there have been incredible discoveries at a very rapid rate that offer fascinating insights in the biology of breast cancer, but that may also expose individuals to an increased risk of discrimination based on their genetic information. For instance, because of the discovery of BRCA1 and BRCA2, breast cancer susceptibility genes, we now face the reality of a test that can detect the increased risk associated with heritable breast cancer. Genetic testing may well lead to the promise of improved health. But if women are too fearful to get tested, they won't be able to gain from the future benefits genetic testing might offer.

We commend your efforts to go beyond Kassebaum-Kennedy toward ensuring that all individuals—not just those in group health plans—are guaranteed protection against discrimination in the health insurance arena and the employment venue based on their genetic information. The Genetic Nondiscrimination in Health Insurance and Employment Act of 1999 would also guarantee individuals important protections against rate hikes based on genetic information, would prohibit insurers from demanding access to genetic information contained in medical records or family histories, and would restrict insurers' release of genetic information.

Passage of this legislation, and the protections it offers, are essential not only for women with a genetic predisposition to breast cancer, but also for women living with breast cancer, their families, and the millions of women who will be diagnosed with breast cancer. We look forward to working with you towards getting the Genetic Nondiscrimination in Health Insurance and Employment Act of 1999 enacted this year.

Thank you again for your outstanding leadership, and please do not hesitate to call me or NBCC's Government Relations Manager, Jennifer Katz if you have any questions.

Sincerely,

FRAN VISCO, *President.*

HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA, INC.

July 1, 1999.

Hon. EDWARD KENNEDY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of Hadassah's 300,000 members, I would like to thank you, as well as Senators Daschle, Dodd, and Harkin for introducing ''The Genetic Non-discrimination in Health Insurance and Employment Act of 1999.'' The very information that may save someone's health or life should under no circumstances be used to deny them the insurance coverage needed to pay for this care.

The issue of genetics-based discrimination by both insurance companies and employers has come to be of particular concern to the Jewish community. Over the past few years, studies have shown that certain populations experience heightened hereditary susceptibility to certain genetic mutations and their corresponding diseases. In particular, women of Ashkenazi or Eastern European Jewish descent have been found to demonstrate a distinct genetic predisposition to both breast and ovarian cancers. Most recently, there have been scientific findings linking colon cancer to Ashkenazi Jews.

Unfortunately, as Jews and other at-risk populations have sought to learn more about their genetic backgrounds, they have been confronted by genetics-based discrimination. As a result of this discrimination, many individuals choose not to receive genetic testing, or to even participate in research studies. As scientists continue to identify the genetic ''markers'' for more and more diseases, the issue of genetic discrimination stands to confront each and every one of us—men and women alike—regardless of ethnic heritage.

Hadassah has been active in support of similar legislation, such as H.R. 306, sponsored by Representative Louise Slaughter (D–NY), regarding health insurance discrimination. We are optimistic that similar endeavors from your office, and from those of your colleagues, will continue to expand the scope and prominence of this issue. Hopefully, our combined efforts will insure the passage of this legislation, and ultimately result in the elimination of genetics-based discrimination in both health insurance and employment. Please sign Hadassah on as supporters of this bill.

I look forward to working with you on this important piece of legislation. If you have any additional questions, or would like our assistance, please contact Ms. Tana Senn, Director of American Affairs/Domestic Policy. Again, we applaud your efforts in addressing this crucial issue.

With admiration and appreciation.

MARLENE E. POST,
National President.

AMERICAN CIVIL LIBERTIES UNION FOUNDATION,

July 1, 1999.

DEAR SENATOR KENNEDY: The American Civil Liberties Union is a national, private, non-profit organization of more than 250,000 members dedicated to preserving the principles of liberty embodied in the Bill of Rights and the U.S. Constitution. The ACLU applauds the efforts of Senators Daschle, Dodd, Harkin and Kennedy in their continued efforts to promote awareness of the current and future problems of genetic discrimination. We are in full support of the Genetic Nondiscrimination in Health Insurance and Employment Act of 1999 and ask that the issue of genetic discrimination be given complete and immediate attention.

Sincerely,

JEREMY GRUBER, *Legal Director, ACLU National Taskforce on Civil Liberties in the Workplace.*

NATIONAL PARTNERSHIP FOR WOMEN & FAMILIES,

July 1, 1999.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: I want to thank you for, once again, taking the lead on an issue of great importance to women. The National Partnership for Women & Families is proud to endorse your bill, ''The Genetic Nondiscrimination In Health Insurance and Employment Act of 1999.''

We believe that genetic discrimination is the next big civil rights issue. The job of deciphering every gene found in the human body—more than 80,000 in all—is proceeding at record speed. Just a decade ago, genetic testing was largely restricted to prenatal tests to look for birth defects. Today, more than 550 genetic tests are being used for the diagnosis of disease, and millions of women and their families stand to benefit from improved prevention, detection, and treatment of diseases like breast and ovarian cancer.

Unfortunately, without adequate protection against misuse, the potential for real medical benefit from genetic advances may be outweighed by the fear of discrimination by insurers and employers. Your bill will alleviate that fear and allow women and men to benefit from medical and scientific progress. Thank you once again for all your hard work on this issue.

Sincerely yours,

JUDITH L. LICHTMAN,
President, National Partnership for Women & Families.

SUSANNAH A. BARUCH,
Director of Legal and Public Policy, National Partnership for Women & Families.

By Mr. MCCONNELL (for himself and Mr. BUNNING):

S. 1323. A bill to amend the Federal Power Act to ensure that certain Federal power customers are provided protection by the Federal Energy Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

THE TVA CUSTOMER PROTECTION ACT

Mr. MCCONNELL. MR. PRESIDENT, I HAVE COME TO THE SENATE FLOOR TODAY TO INTRODUCE A BILL KNOWN AS THE TVA CUSTOMER PROTECTION ACT. THIS LEGISLATION WILL IMPLEMENT A NUMBER OF CONSUMER PROTECTIONS THAT WILL MAKE TVA ACCOUNTABLE TO RATEPAYERS AND BETTER PREPARE TVA TO COMPETE IN A RESTRUCTURED ELECTRICITY MARKET. I AM PLEASED TO HAVE SENATOR BUNNING as an original cosponsor on this bill.

The legislation I am introducing, which is virtually identical to the legislation I introduced in the 105th Congress, provides Valley ratepayers protections against unchecked and unjustified increases in their power rates. Included in this bill are checks against future increases in TVA's massive debt. This bill will put an end to TVA's ability to compete unfairly with its regional distributors and will prohibit TVA from sticking ratepayers with the bill for its international forays that have no relevance to its responsibility to provide low-cost power to the Valley. Finally, this bill also codifies an agreement between TVA and several industry associations to limit TVA's authority as a government entity to compete with small businesses in non-electric services.

Mr. President, TVA is a federal corporation that was first established in 1933, to tame the Tennessee River, our nation's fifth largest river, and to bring economic development to this once poverty stricken region. Today, TVA provides power to nearly all of Tennessee and to parts of six other states covering over 80,000 square miles and serving eight million consumers. The bulk of TVA's power sales are made through municipal and cooperative distributors, which in turn are responsible for delivering that power to every home, office and farm in the Valley. TVA has exclusive power contracts with its distributors and the three-member TVA board sets the retail rates offered by distributors.

Mr. President, while TVA has achieved significant success, it has not come without a price. Today, TVA customers are paying a premium for TVA's excesses and mismanagement. For example, TVA has accumulated an enormous debt of nearly $26 billion, despite its monopoly status and the Board's unilateral rate making authority. As a result, in 1998, TVA customers paid an astronomical 30 cents of every $1 to interest expenses. When you match TVA's interest charge of 30 cents to the 11 cents paid by the Federal Government, it makes Uncle Sam look like a conservative financial planner. When compared to the average regulated public utility, which pays a mere 7 percent in finance cost, it is obvious that this isn't a good deal for TVA ratepayers.

In a 1994 study, the General Accounting Office determined that TVA's financial condition ''threatens its long-term viability and places the federal government at risk.'' Only through years of unaccountability and fiscal irresponsibility could a power company have ever reached this level of debt, despite the fact that TVA is a monopoly provider of electricity.

As a result of TVA's fiscal mismanagement and bloated budgets, TVA rates are higher than those of FERC-regulated utilities in Kentucky. Since 1988, wholesale power rates of regulated utilities in Kentucky have steadily fallen, while TVA has maintained the same level, albeit higher than Kentucky utilities. Then, in 1997, TVA was forced to raise rates by 7 percent in an effort to get its fiscal house back in order. It is apparent that due to TVA's past financial mismanagement, thousands of Kentucky residents are paying

more for power than Kentucky residents who are outside the TVA fence.

Mr. President, another way to quantify the impact of TVA's fiscal irresponsibility is to compare the electric rates paid by Kentuckians. Mr. President I have a chart here that displays the rate premiums paid by the 211,427 TVA customers living in Kentucky. I have used the rates filed by Kentucky Utilities and TVA's publicly disclosed rates between 1999 and 2003. Based on these rates, Kentuckians will pay an average of $50 million more annually for the privilege of being served by TVA. Over the next five years this amounts to a $250 million ''TVA membership fee.'' It is painfully clear the Kentuckians who are served by TVA are getting a raw deal from this New Deal program.

Mr. President, I have come to the conclusion that TVA needs to be made more accountable for its actions. Not more accountable to Congress or the President, but the people TVA is charged to serve—Valley customers.

Mr. President, it is my desire to provide TVA customers with a clear picture of TVA's financial situation including its rates, charges and costs. The Federal Energy Regulatory Commission (FERC) is authorized under the Federal Power Act with regulating electric utilities. FERC currently provides regulatory oversight to over 200 utilities for wholesale and transmission power rates to ensure that their electric rates and charges are ''just and reasonable and not unduly discriminatory or preferential.'' At present, TVA is entirely exempt from these necessary regulations allowing it to operate as a self-regulating monopoly, with no such mandate for openness, fairness or oversight.

Mr. President, I am not alone in this belief. The distributors serving Memphis, Tennessee, Knoxville, Tennessee, and Paducah, Kentucky, share my views that TVA should fully comply with the FERC authority. Recently, before the House Commerce Committee, Mr. Herman Morris, Jr., President and CEO of the Memphis Light, Gas and Water Division testified on behalf of MLGWD and the Knoxville Utilities Board that FERC would ''provide a neutral forum for resolving disputes regarding TVA transmission, wholesale sales pricing, terms and conditions.'' Mr. Morris went on to say that FERC jurisdiction is ''necessary to provide Tennessee Valley distributors the same level of protection that the rest of the country enjoys.''

Requiring TVA to comply with FERC regulations will serve two purposes. First, it will allow customers to accurately evaluate TVA's wholesale and transmission pricing to ensure the rates charged are ''just and reasonable'' and will provide customers with a forum for challenging future rate increases just as every other regulated utility does.

Second, this information will provide FERC with a better understanding of the costs TVA has accumulated. Understanding the full scope of these costs will be critical in an open transmission and wholesale market. It will also have a significant impact in determining how competitive TVA will be in the future.

Another measure which I have added this year builds on the full disclosure provisions by requiring FERC to conduct an investigation to determine TVA's total stranded cost liability. I have heard from a number of distributors who are very concerned about the potential stranded cost liability they might be assessed. They adamantly oppose paying for any costs or services they haven't paid for. For example, residents of Paducah, Kentucky don't want to pay for the costs TVA incurred in providing service to Nashville. Unfortunately, nobody has any idea of the total stranded cost liability TVA has incurred or can be recovered. This investigation will uncover those costs that were prudently incurred and are eligible for recovery as stranded costs.

In order to ensure that TVA keeps its promise of lowering its debt, I have proposed that TVA be required to meet four need-based criteria before it is able to add costly generating capacity. For my colleagues who are not familiar with TVA, it is important to note that TVA's tremendous level of debt is a result of TVA's aggressive and unchecked plan to add new generating capacity in the Valley. In 1966, TVA announced a plan to build 17 nuclear facilities throughout the Valley. Today less than half of these facilities are in commercial service.

As a result, TVA is $26 billion in debt and has invested $14 billion in non-performing nuclear assets which have driven rates up in the Valley. To prevent history from repeating itself, I believe it is necessary to apply safeguards against overbuilding. TVA must demonstrate a legitimate need before committing such significant resources again.

This legislation will also prohibit TVA from using Valley ratepayers to subsidize power sales outside the Valley in the future. All new generation will be required to meet the needs of Valley ratepayers.

Mr. President, let me take a moment to go through the other important customer reforms included in the bill. Section Four of the bill prohibits TVA from continuing to subsidize their foreign endeavors at ratepayer's expense. Quarter million dollar conferences in China and other points on the globe are not consistent with either TVA's deficit reduction goals or its mission to be a low-cost power provider to the Valley.

Another provision that I have included is a measure proposed by the TVA distributors. Section Five in the bill protects distributors from unfair competition by ending TVA's ability to directly serve large industrial customers. In the past, TVA has been able to directly serve some of the valley's largest industrial customers. Through this loophole, TVA is able to use its considerable market power to unfairly compete with distributors.

Section Seven of this bill will increase TVA's level of accountability by applying all federal antitrust laws and penalties. I have included this provision in response to heavy-handed tactics used by TVA to punish the City of Bristol, Virginia, for signing a contract with another energy provider.

TVA applied heavy-handed tactics by predicting unreliable electricity services as a disincentive to leaving, and TVA attempted to syphon-off Bristol's industrial customers by offering direct-serve power contracts at 2 percent below any rate offered by Bristol. I find these predatory practices to be entirely unacceptable, especially applied to one of its own customers. It is my belief that since TVA's activities were performed in a commercial endeavor, they should be held to the same standards as any other corporation under the antitrust laws.

I understand that TVA is willing to subject themselves to federal antitrust laws, so long as they aren't subject to any penalties. Mr. President, I have some advice for TVA.

If you can't pay the fine, don't do the crime.

Finally, this legislation limits TVA's ability to branch out into other businesses beyond power generation and transmission. TVA has attempted to diversify into equipment leasing as well as engineering and other contracting services in direct competition with other Valley businesses. I don't believe that TVA should be permitted to use its considerable advantages, like its tax-exempt status, to compete against Valley businesses. TVA has signed a Memorandum of Agreement with Valley businesses not to compete against them.

My legislation codifies that agreement. Mr. President, I hope these reforms will offer TVA customers—both distributors and individuals alike—the means to make TVA more accountable and put an end, once and for all, to TVA's unaccountability and unchecked fiscal irresponsibility. I want to put an end to TVA membership premium and let all Kentuckians benefit from some of the lowest power rates in the nation.

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

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

S. 1323

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 ''TVA Customer Protection Act of 1999''.

SEC. 2. INCLUSION IN DEFINITION OF PUBLIC UTILITY.

(a) IN GENERAL.—Section 201(e) of the Federal Power Act (16 U.S.C. 824(e)) is amended by inserting before the period at the end the following: '', and includes the Tennessee Valley Authority''.

(b) CONFORMING AMENDMENT.—Section 201(f) of the Federal Power Act (16 U.S.C. 824(f)) is amended by striking ''foregoing, or any corporation'' and inserting ''foregoing (other than the Tennessee Valley Authority) or any corporation''.

SEC. 3. DISPOSITION OF PROPERTY.

Section 203 of the Federal Power Act (16 U.S.C. 824b) is amended by adding at the end the following:

''(c) TVA EXCEPTION.—This section does not apply to a disposition of the whole or any part of the facilities of the Tennessee Valley Authority if—

''(1) the Tennessee Valley Authority discloses to the Commission (on a form, and to the extent, that the Commission shall prescribe by regulation) the sale, lease, or other disposition of any part of its facilities that—

''(A) is subject to the jurisdiction of the Commission under this Part; and

''(B) has a value of more than $50,000; and

''(2) all proceeds of the sale, lease, or other disposition under paragraph (1) are applied by the Tennessee Valley Authority to the reduction of debt of the Tennessee Valley Authority.''.

SEC. 4. FOREIGN OPERATIONS; PROTECTIONS.

Section 208 of the Federal Power Act (16 U.S.C. 824g) is amended by adding at the end the following:

''(c) TENNESSEE VALLEY AUTHORITY.—

''(1) LIMIT ON CHARGES.—

''(A) NO AUTHORIZATION OR PERMIT.—The Commission shall issue no order under this Act that has the effect of authorizing or permitting the Tennessee Valley Authority to make, demand, or receive any rate or charge, or impose any rule or regulation pertaining to a rate or charge, that includes any costs incurred by or for the Tennessee Valley Authority in the conduct of any activities or operations outside the United States.

''(B) UNLAWFUL RATE.—

''(i) IN GENERAL.—Any rate, charge, rule, or regulation described in subparagraph (A) shall be deemed for the purposes of this Act to be unjust, unreasonable, and unlawful.

''(ii) NO LIMITATION ON AUTHORITY.—Clause (i) does not limit the authority of the Commission under any other provision of law to regulate and establish just and reasonable rates and charges for the Tennessee Valley Authority.

''(2) ANNUAL REPORT.—The Tennessee Valley Authority shall annually—

''(A) prepare and file with the Commission, in a form that the Commission shall prescribe by regulation, a report setting forth in detail any activities or operations engaged in outside the United States by or on behalf of the Tennessee Valley Authority; and

''(B) certify to the Commission that the Tennessee Valley Authority has neither recovered nor sought to recover the costs of activities or operations engaged in outside the United States by or on behalf of the Tennessee Valley Authority in any rate, charge, rule, or regulation on file with the Commission.''.

SEC. 5. TVA POWER SALES AND PROPERTY VALUATION.

(a) IN GENERAL.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

''SEC. 215. TVA POWER SALES.

''(a) IN GENERAL.—The Tennessee Valley Authority shall not sell electric power to a retail customer that will consume the power within the area that, on the date of enactment of this section, is assigned by law as the distributor service area, unless—

''(1) the customer (or predecessor in interest to the customer) was purchasing electric power directly from the Tennessee Valley Authority as a retail customer on that date;

''(2) the distributor is purchasing firm power from the Tennessee Valley Authority in an amount that is equal to not more than 50 percent of the total retail sales of the distributor; or

''(3) the distributor agrees that the Tennessee Valley Authority may sell power to the customer.

''(b) RETAIL SALES.—Notwithstanding any other provision of law, the rates, terms, and conditions of retail sales of electric power by the Tennessee Valley Authority that are not prohibited by subsection (a) shall be subject to regulation under State law applicable to public utilities in the manner and to the extent that a State commission or other regulatory authority determines to be appropriate.

''(c) ASSURANCE OF ADEQUATE ELECTRIC GENERATION CAPACITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, after the date of enactment of this section, the Tennessee Valley Authority shall not construct or acquire by any means electric generation capacity, or sell the output of electric generation capacity constructed or acquired after that date, unless the Commission has issued to the Tennessee Valley Authority a certificate of public convenience and necessity authorizing the construction or acquisition of electric generation capacity.

''(2) CRITERIA FOR ISSUANCE OF CERTIFICATE.—The Commission shall issue a certificate of public convenience and necessity under paragraph (1) only if the Commission finds, after affording an opportunity for an evidentiary hearing, that—

''(A) the reserve power margin of the Tennessee Valley Authority for the area within which the Tennessee Valley Authority is permitted by law to be a source of supply—

''(i) is less than 15 percent; and

''(ii) is expected to remain less than 15 percent for a period of at least 1 year unless new capacity is constructed or acquired;

''(B) the Energy Information Administration has submitted to the Commission, with respect to issuance of the certificate of public convenience and necessity, a determination that—

''(i) there is no commercially reasonable option for the purchase of power from the wholesale power market to meet the needs of the area within which the Tennessee Valley Authority is permitted by law to be a source of supply; and

''(ii) the proposed construction or acquisition is the only commercially reasonable means to meet the firm contractual obligations of the Tennessee Valley Authority with respect to the area within which the Tennessee Valley Authority is permitted by law to be a source of supply;

''(C) the electric generation capacity or the output of the capacity proposed to be authorized will not make the Tennessee Valley Authority a direct or indirect source of supply in any area with respect to which the Authority is prohibited by law from being, directly or indirectly, a source of supply; and

''(D) the electric generation capacity proposed to be authorized is completely subscribed in advance for use by customers only within the area for which the Tennessee Valley Authority or distributors of the Authority were the primary source of power supply on July 1, 1957.

''SEC. 216. VALUATION OF CERTAIN TVA PROPERTY.

''(a) EVIDENTIARY HEARING.—Not later than 120 days after the date of enactment of this section, notwithstanding any other provision of law, the Commission shall commence a hearing on the record for the purpose of determining the value of the property owned by the Tennessee Valley Authority—

''(1) that is used and useful; and

''(2) the cost of which was prudently incurred in providing electric service, as of July 1, 1999, to—

''(A) the distributors of the Authority; and

''(B) the customers that directly purchased power from the Authority.

''(b) PROCEDURES AND STANDARDS.—In making the determination under subsection (a), the Commission shall use, to the maximum extent practicable, the procedures and standards that the Commission uses in making similar determinations with respect to public utilities.

''(c) TIMING OF FINAL ORDER.—The Commission shall issue a final order with respect to the determination under subsection (a)—

''(1) not later than 1 year after the date of commencement of the hearing under subsection (a); or

''(2) not later than a date determined by the Commission by an order supported by the record.

''(d) TIMING OF ORDER AWARDING RECOVERY OF STRANDED COSTS.—The Commission may issue an order awarding recovery to the Tennessee Valley Authority of costs rendered uneconomic by competition not earlier than the date on which the Commission issues a final order with respect to the determination under subsection (a).''.

(b) TRANSITION.—Not later than 180 days after the date of enactment of this Act, the Tennessee Valley Authority shall file all rates and charges for the transmission or sale of electric energy and the classifications, practices, and regulations affecting those rates and charges, together with all contracts that in any manner affect or relate to contracts that are required to be filed under Part II of the Federal Power Act (16 U.S.C. 824 et seq.) (as amended by subsection (a)) and that are in effect as of the date of enactment of this Act.

SEC. 6. FILING AND FULL DISCLOSURE OF TVA DOCUMENTS.

Part III of the Federal Power Act (16 U.S.C. 825 et seq.) is amended—

(1) by redesignating sections 319 through 321 as sections 320 through 322, respectively; and

(2) by inserting after section 318 the following:

''SEC. 319. FILING AND FULL DISCLOSURE OF TVA DOCUMENTS.

''(a) IN GENERAL.—The Tennessee Valley Authority shall file and disclose the same documents and other information that other public utilities are required to file under this Act, as the Commission shall require by regulation.

''(b) REGULATION.—

''(1) TIMING.—The regulation under subsection (a) shall be promulgated not later than 1 year after the date of enactment of this section.

''(2) CONSIDERATIONS.—In promulgating the regulation under subsection (a), the Commission shall take into consideration the practices of the Commission with respect to public utilities other than the Tennessee Valley Authority.''.

SEC. 7. APPLICABILITY OF THE ANTITRUST LAWS.

The Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.) is amended by inserting after section 16 the following:

"SEC. 17. APPLICABILITY OF THE ANTITRUST LAWS.

''(a) DEFINITION OF ANTITRUST LAWS.—In this section, the term 'antitrust laws' means—

''(1) an antitrust law (within the meaning of section (1) of the Clayton Act (15 U.S.C. 12));

''(2) the Act of June 19, 1936 (commonly known as the 'Robinson Patman Act') (49 Stat. 1526, chapter 323; 15 U.S.C. 13 et seq.); and

''(3) section 5 of the Federal Trade Commission Act (15 U.S.C. 45), to the extent that the section relates to unfair methods of competition.

''(b) APPLICABILITY.—Nothing in this Act modifies, impairs, or supersedes the antitrust laws.

''(c) ANTITRUST LAWS.—

''(1) TVA DEEMED A PERSON.—The Tennessee Valley Authority shall be deemed to be a person, and not government, for purposes of the antitrust laws.

''(2) APPLICABILITY.—Notwithstanding any other provision of law, the antitrust laws (including the availability of any remedy for a violation of an antitrust law) shall apply to the Tennessee Valley Authority notwithstanding any determination that the Tennessee Valley Authority is a corporate agency or instrumentality of the United States or is otherwise engaged in governmental functions.''.

SEC. 8. SAVINGS PROVISION.

(a) DEFINITION OF TVA DISTRIBUTOR.—In this section, the term ''TVA distributor'' means a cooperative organization or publicly owned electric power system that, on January 2, 1998, purchased electric power at wholesale from the Tennessee Valley Authority under an all-requirements power contract.

(b) EFFECT OF ACT.—Nothing in this Act or any amendment made by this Act—

(1) subjects any TVA distributor to regulation by the Federal Energy Regulatory Commission; or

(2) abrogates or affects any law in effect on the date of enactment of this Act that applies to a TVA distributor.

SEC. 9. PROVISION OF CONSTRUCTION EQUIPMENT, CONTRACTING, AND ENGINEERING SERVICES.

Section 4 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831c) is amended by adding at the end the following:

''(m) PROVISION OF CONSTRUCTION EQUIPMENT, CONTRACTING, AND ENGINEERING SERVICES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, except as provided in this subsection, the Corporation shall not have power to—

''(A) rent or sell construction equipment;

''(B) provide a construction equipment maintenance or repair service;

''(C) perform contract construction work; or

''(D) provide a construction engineering service;

to any private or public entity.

''(2) ELECTRICAL CONTRACTORS.—The Corporation may provide equipment or a service described in subparagraph (1) to a private contractor that is engaged in electrical utility work on an electrical utility project of the Corporation.

''(3) CUSTOMERS, DISTRIBUTORS, AND GOVERNMENTAL ENTITIES.—The Corporation may provide equipment or a service described in subparagraph (1) to—

''(A) a power customer served directly by the Corporation;

''(B) a distributor of Corporation power; or

''(C) a Federal, State, or local government entity;

that is engaged in work specifically related to an electrical utility project of the Corporation.

''(4) USED CONSTRUCTION EQUIPMENT.—

''(A) DEFINITION OF USED CONSTRUCTION EQUIPMENT.—In this paragraph, the term 'used construction equipment' means construction equipment that has been in service for more than 2,500 hours.

''(B) DISPOSITION.—The Corporation may dispose of used construction equipment by means of a public auction conducted by a private entity that is independent of the Corporation.

''(C) DEBT REDUCTION.—The Corporation shall apply all proceeds of a disposition of used construction equipment under subparagraph (B) to the reduction of debt of the Corporation.''.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Federal Energy Regulatory Commission such sums as are necessary to carry out this Act and the amendments made by this Act.

TVA BOARD SPENT MORE THAN $85,000 TO TRAVEL IN 1998

Knoxville, Tenn.—Credit card receipts show Tennessee Valley Authority board members spent more than $85,000 in 1998 on travel expenses, a newspaper reported on Sunday.

Among the charges are lodging at the Ritz-Carlton hotel near Washington, a casino resort in Nevada and a golf club in Mississippi. TVA Chairman Craven Crowell alone took 92 trips, including 12 to foreign countries, The Knoxville News-Sentinel reported.

Crowell's charges totaled $49,541. Crowell, who is currently in England with other Tennessee business leaders, declined to discuss the issue with the newspaper last week.

Among Crowell's duties while traveling are promoting TVA bonds, meeting with utility officials and attending conferences, according to TVA officials.

''These are not pleasure trips,'' said TVA spokesman Steve Bender. ''The chairman is working on these trips.''

The U.S. General Accounting Office, the investigative arm of Congress, is probing how TVA Inspector General George Prosser spent TVA expense money, after a written request from Crowell. In question are more than $10,000 in travel and entertainment charges.

Prosser maintains the expenses are legitimate and he is the victim of retaliation by TVA officials because he investigated TVA executive Joe Dickey for fraud.

Prosser's expenses include a $500 hotel bill from a Mississippi casino, $4,500 at attractions with golf courses and more than $200 in liquor.

Crowell currently is the only member of the three-member TVA board. Johnny Hayes left in January to work in Vice President Al Gore's presidential campaign, and Bill Kennoy's nine-year term ended May 18.

In 1998, Kennoy spent $17,935 on 69 trips, and he didn't return phone calls from the newspaper seeking comment. Hayes spent $17,268 on 155 trips.

''I never charged golf, a meal or anything else where I wasn't on TVA business,'' Hayes said.

''I was out with customers constantly,'' he said. ''I fished with them. I golfed with them. I went to every major convention they had.''

U.S. Rep. Harold Ford, Jr., D–Memphis, said the travel expenses seemed high at first glance.

''The real measure is how much they accomplish on the trips,'' Ford said.

PADUCAH POWER SYSTEM,
Paducah, KY, July 1, 1999.

Senator MITCH MCCONNELL,
Russell Building, Washington, DC.

DEAR SENATOR MCCONNELL: Having reviewed the ''TVA Customer Protection Act of 1999,'' the Board and management of Paducah Power System are supportive of the bill.

Specifically, the protection from TVA competing with the distributors for retail customers as long as at least half of the distributors wholesale power requirements are purchased from TVA is very important.

The provision for identifying and establishing the methodology and value of stranded cost is extremely important. This information will assist future planning for distributors.

Additionally, the protection of Valley ratepayers from subsidizing off system sales provides distributors within the Valley to continue to provide energy at the lowest practical cost.

Thank you for your efforts and continuing interest in the people of Western Kentucky and all the Tennessee Valley.

Feel free to call if I can be of any assistance.

Respectfully,

DON FULLER,
General Manager.

By Mr. FRIST:

S. 1326. A bill to eliminate certain benefits for Members of Congress, and for other purposes; to the Committee on Governmental Affairs.

CITIZEN CONGRESS ACT

Mr. FRIST. Mr. President, today I rise to introduce the Citizen Congress Act, a bill which will end the five greatest perks and privileges which separate the Members of Congress from the American people, and which will eliminate taxpayer-funded financial incentives which encourage Members to become life-long legislators. In the past two Congresses, I have introduced a more broad version of this legislation. However, in the next two years, I want to focus on removing the top five taxpayer-funded financial incentives which encourage Senators and Representatives to remain in office as career politicians. I believe that the elimination of these five special privileges will return Congress to the institution our fore-fathers established.

As we approach the two-hundred and twenty-third anniversary of the founding of our great country, we should remember that our Founding Fathers envisioned a Congress of citizen legislators who would leave their families and communities for a short time to write legislation and pass laws, and then return home to live under those laws they helped to pass. Unfortunately, we have stayed from that vision. With the passage of the Congressional Accountability Act four years ago, we made the first step towards ensuring that Members of Congress abide by the same

laws as everyone else. In spite of this measure, Members of Congress continue to receive special perks and privileges unavailable to most American citizens. While I support term limits for Members of Congress, and I remain committed to passing a term limits amendment to the Constitution, there are other more immediate actions we can take to restore faith in Congress.

The legislation I introduce today represents an achievable step toward making Congress more accountable and responsible to the American people. The Citizen Congress Act will eliminate the five greatest financial incentives for Members to become life-long legislators, and will put them on equal footing with the majority of Americans. The provisions of this legislation include: Eliminate the taxpayer subsidy element of Congressional pensions; require public disclosure of Congressional pensions; eliminate automatic COLA's for Congressional pensions; eliminate automatic COLA's for Congressional pay; and require a roll call vote on all Congressional pay increases.

Eliminating the taxpayer subsidy of Congressional pensions and reforming the overall Congressional pension system represents a remarkable improvement. With the Citizen Congress Act, Senators and Representatives will no longer be eligible for pensions that far exceed what is available in the private sector and are padded with matching taxpayer dollars. Instead, Members will have access to the same plans as other federal employees and private citizens, with no taxpayer subsidy. This will ensure that Members who serve in Congress for many years do not accumulate multi-million dollar pensions at the public's expense. Automatic cost of living adjustments for Congressional pensions are also eliminated in this bill. Additionally, requiring a public roll call vote on pay increases ensures that Members of Congress do not vote themselves a pay increase in the dead of night, as has been the case many, many times in the past.

At a time when everyone is tightening their belts to maintain fiscal responsibility and restore confidence in our government, it is only fitting that Members of Congress eliminate the perks and privileges which separate them from the American people. This is what Tennesseans tell me when I travel across our state, and that is what I am doing with the Citizen Congress Act. I encourage my colleagues to join me in passing this important legislation and bringing Congress another step closer to the American people.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1326

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 ''Citizen Congress Act''.

SEC. 2. LIMITATION ON RETIREMENT COVERAGE FOR MEMBERS OF CONGRESS.

(a) IN GENERAL.—Notwithstanding any other provision of law, effective at the beginning of the Congress next beginning after the date of the enactment of this Act, a Member of Congress shall be ineligible to participate in the Civil Service Retirement System or the Federal Employees' Retirement System, except as otherwise provided under this section.

(b) PARTICIPATION IN THE THRIFT SAVINGS PLAN.—Notwithstanding subsection (a), a Member may participate in the Thrift Savings Plan subject to section 8351 if title 5, United States Code, at anytime during the 12-year period beginning on the date the Member begins his or her first term.

(c) REFUNDS OF CONTRIBUTIONS.—

(1) IN GENERAL.—Nothing in subsection (a) shall prevent refunds from being made, in accordance with otherwise applicable provisions of law (including those relating to the Thrift Savings Plan), on account of an individual's becoming ineligible to participate in the Civil Service Retirement System or the Federal Employees' Retirement System (as the case may be) as a result of the enactment of this section.

(2) TREATMENT OF REFUND.—For purposes of any refund referred to in paragraph (1), a Member who so becomes ineligible to participate in either of the retirement systems referred to in paragraph (1) shall be treated in the same way as if separated from service.

(d) ANNUITIES NOT AFFECTED TO THE EXTENT BASED ON PRIOR SERVICE.—Subsection (a) shall not be considered to affect—

(1) any annuity (or other benefit) entitlement which is based on a separation from service occurring before the date of the enactment of this Act (including any survivor annuity based on the death of the individual who so separated); or

(2) any other annuity (or benefit), to the extent provided under subsection (e).

(e) PRESERVATIONS OF RIGHTS BASED ON PRIOR SERVICE.—

(1) IN GENERAL.—For purposes of determining eligibility for, or the amount of, any annuity (or other benefit) referred to in subsection (d)(2) based on service as a Member of Congress—

(A) all service as a Member of Congress shall be disregarded except for any such service performed before the date of the enactment of this Act; and

(B) all pay for service performed as a Member of Congress shall be disregarded other than pay for service which may be taken into account under subparagraph (A).

(2) PRESERVATION OF RIGHTS.—To the extent practicable, eligibility for, and the amount of, any annuity (or other benefit) to which an individual is entitled based on a separation of a Member of Congress occurring after such Member becomes ineligible to participate in the Civil Service Retirement System or the Federal Employees' Retirement System (as the case may be) by reason of subsection (a) shall be determined in a manner that preserves any rights to which the Member would have been entitled, as of the date of the enactment of this Act, had separation occurred on such date.

(f) REGULATIONS.—Any regulations necessary to carry out this section may be prescribed by the Office of Personnel Management and the Executive Director (referred to in section 8401(13) of title 5, United States Code) with respect to matters within their respective areas of responsibility.

(g) DEFINITION.—In this section, the terms ''Member of Congress'' and ''Member'' have the meaning of the term ''Member'' as defined under section 8331(2) or 8401(20) of title 5, United States Code.

(h) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to apply with respect to any savings plan or other matter outside of subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

SEC. 3. DISCLOSURE OF ESTIMATES OF FEDERAL RETIREMENT BENEFITS OF MEMBERS OF CONGRESS.

(a) IN GENERAL.—Section 105(a) of the Legislative Branch Appropriations Act, 1965 (2 U.S.C. 104a; Public Law 88–454; 78 Stat. 550) is amended by adding at the end the following new paragraph:

''(5) The Secretary of the Senate and the Clerk of the House of Representatives shall include in each report submitted under paragraph (1), with respect to Members of Congress, as applicable—

''(A) the total amount of individual contributions made by each Member to the Civil Service Retirement and Disability Fund and the Thrift Savings Fund under chapters 83 and 84 of title 5, United States Code, for all Federal service performed by the Member as a Member of Congress and as a Federal employee;

''(B) an estimate of the annuity each Member would be entitled to receive under chapters 83 and 84 of such title based on the earliest possible date to receive annuity payments by reason of retirement (other than disability retirement) which begins after the date of expiration of the term of office such Member is serving; and

''(C) any other information necessary to enable the public to accurately compute the Federal retirement benefits of each Member based on various assumptions of years of service and age of separation from service by reason of retirement.''.

(b) EFFECTIVE DATE.—This section shall take effect 1 year after the date of the enactment of this Act.

SEC. 4. ELIMINATION OF AUTOMATIC ANNUITY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

The portion of the annuity of a Member of Congress which is based solely on service as a Member of Congress shall not be subject to a cost-of-living adjustment under section 8340 or 8462 of title 5, United States Code.

SEC. 5. ELIMINATION OF AUTOMATIC PAY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

(a) PAY ADJUSTMENTS.—Paragraph (2) of section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is repealed.

(b) CONFORMING AMENDMENT.—Section 601(a)(1) of such Act is amended—

(1) by striking ''(a)(1)'' and inserting ''(a)'';

(2) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; and

(3) by striking '', as adjusted by paragraph (2) of this subsection''.

SEC. 6. ROLLCALL VOTE FOR ANY CONGRESSIONAL PAY RAISE.

It shall not be in order in the Senate or the House of Representatives to dispose of any amendment, bill, resolution, motion, or other matter relating to the pay of Members of Congress unless the matter is decided by a rollcall vote.

By Mr. CHAFEE (for himself, Mr. ROCKEFELLER, Mr. BOND, Mr.

REED, Mr. JEFFORDS, Mr. MOYNIHAN, Mr. BREAUX, Ms. LANDRIEU, Mr. KERREY, and Ms. MIKULSKI):

S. 1327. A bill to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self-sufficiency, and for other purposes; to the Committee on Finance.

FOSTER CARE INDEPENDENCE ACT OF 1999

Mr. CHAFEE. Mr. President, it is a rare opportunity when we can provide assistance to one of our nation's most vulnerable groups: children in the foster care program. Currently, Independent Living Programs for older foster children end at their 18th birthday, abandoning these teens in the middle of a critical transition period from adolescence to adulthood. Sadly, these young people are left to negotiate the rough waters of adulthood without vital health and mental health resources and critical life-skills. That is why I am pleased to join my colleagues Senators ROCKEFELLER, BOND, MOYNIHAN, and others in introducing the Foster Care Independence Act.

Many of the 20,000 adolescents who leave the foster care rolls each year to become adults come from particularly troubled backgrounds. Typically, these young people have experienced on average four placements in the past seven years of their lives. As a result, they lack a sense of permanency and the skills essential to becoming self-reliant and productive adults. Our bill will cushion the transition to adulthood by funding Independent Living Programs and ensuring access to the critical health care and mental health services provided by Medicaid through a foster child's 21st birthday.

Most importantly, it doubles the money available to state-administered Independent Living Programs, allowing them to provide the day-to-day living needs for 18 to 21-year-olds while they learn valuable life skills. This more comprehensive program with a long transition period will promote the safety, health, and permanency in the lives of these children. It also removes a significant barrier to these children's adoption by ensuring that the families who adopt them have access to the appropriate resources through age 21.

In addition, this bill provides them access to the health and mental health services offered through Medicaid. Numerous studies of adolescents who leave foster care have found that this population has a significantly higher-than-normal rate of school drop outs, out-of-wedlock pregnancies, homelessness, health and mental health problems, poverty, and unemployment. They are also more likely to be victims of crime and physical assaults. My more comprehensive program addresses these grave health and safety concerns by allowing adolescents who age out of or are adopted out of foster care to continue to receive crucial health, and mental health care benefits through the age of 21.

I am heartened by the broad, bipartisan support that the Independent Living Act of 1999, introduced by my colleague, Representative NANCY JOHNSON, received last week in the House. I urge my colleagues to join me in supporting this important measure and ask unanimous consent that the full text and summary of the bill printed in the RECORD.

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

S. 1327

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 ''Foster Care Independence Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

Sec. 101. Improved independent living program.

Subtitle B—Related Foster Care Provision

Sec. 111. Increase in amount of assets allowable for children in foster care.

Subtitle C—Medicaid Amendments

Sec. 121. State option of medicaid coverage for adolescents leaving foster care.

Subtitle D—Welfare-To-Work Amendments

Sec. 131. Children aging out of foster care eligible for services.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

Sec. 201. Liability of representative payees for overpayments to deceased recipients.

Sec. 202. Recovery of overpayments of SSI benefits from lump sum SSI benefit payments.

Sec. 203. Additional debt collection practices.

Sec. 204. Requirement to provide State prisoner information to Federal and federally assisted benefit programs.

Sec. 205. Rules relating to collection of overpayments from individuals convicted of crimes.

Sec. 206. Treatment of assets held in trust under the SSI program.

Sec. 207. Disposal of resources for less than fair market value under the SSI program.

Sec. 208. Administrative procedure for imposing penalties for false or misleading statements.

Sec. 209. Exclusion of representatives and health care providers convicted of violations from participation in social security programs.

Sec. 210. State data exchanges.

Sec. 211. Study on possible measures to improve fraud prevention and administrative processing.

Sec. 212. Annual report on amounts necessary to combat fraud.

Sec. 213. Computer matches with medicare and medicaid institutionalization data.

Sec. 214. Access to information held by financial institutions.

Subtitle B—Benefits for Certain Veterans of World War II

Sec. 251. Establishment of program of special benefits for certain World War II veterans.

TITLE III—CHILD SUPPORT

Sec. 301. Elimination of enhanced matching for laboratory costs for paternity establishment.

Sec. 302. Elimination of hold harmless provision for State share of distribution of collected child support.

TITLE IV—TECHNICAL CORRECTIONS

Sec. 401. Technical corrections relating to amendments made by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

TITLE I—IMPROVED INDEPENDENT LIVING PROGRAM

Subtitle A—Improved Independent Living Program

SEC. 101. IMPROVED INDEPENDENT LIVING PROGRAM.

(a) FINDINGS.—The Congress finds the following:

(1) The Adoption and Safe Families Act of 1997 establishes that safety, health, and permanency are paramount when planning for children in foster care. States are required to make reasonable efforts to locate permanent families for all children, including older children and teens, for whom reunification with their biological families is not in the best interests of the children.

(2) Older children who continue to be in foster care as adolescents may become eligible for Independent Living programs. These Independent Living programs are not an alternative to permanency planning for these children. Enrollment in Independent Living programs can occur concurrent with continued efforts to locate, and achieve placement in, permanent families for older children in foster care.

(3) About 20,000 adolescents leave the Nation's foster care system each year because they have reached 18 years of age and are expected to support themselves. In addition, approximately 5,000 adolescents (foster children over the age of 12) are adopted out of the foster care system each year, of whom approximately 620 are over the age of 16 at the time of their adoption. A large percentage of these children have not yet completed their high school education.

(4) Congress has received extensive information that adolescents leaving foster care are in trouble. A careful study of all the children aging out of foster care in Wisconsin during 1994 showed high rates of school drop out, out-of-wedlock childbearing, homelessness, poverty, and being the target of crime and physical assaults.

(5) The Nation's State and local governments, with financial support from the Federal Government, should offer an extensive program of education, health and mental health care, training, employment, financial support, and post adoption support services for adolescents leaving foster care (including those who exit foster care to adoption), with participation in such program beginning several years before high school graduation and continuing, as needed, until the young adults

exiting foster care establish independence or reach 21 years of age.

(b) IMPROVED INDEPENDENT LIVING PROGRAM.—Section 477 of the Social Security Act (42 U.S.C. 677) is amended to read as follows:

"SEC. 477. INDEPENDENT LIVING PROGRAM.

''(a) PURPOSE.—The purpose of this section is to provide States with flexible funding that will enable the States to design and conduct programs—

''(1) to identify children who are likely to remain in foster care during their teenage years and that help these children make the transition to self-sufficiency by providing services such as assistance in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, and how to maintain their own physical and mental health, including how to access health care, mental health, and community-based peer-support services;

''(2) to help children leaving foster care, including those adopted after age 16, obtain the education, training, and services necessary to obtain and maintain employment;

''(3) to help children leaving foster care, including those adopted after age 16, prepare for and enter postsecondary training and education institutions;

''(4) to provide personal and emotional support to children aging out of foster care, through mentors, the promotion of interactions with dedicated adults, and continued efforts at locating permanent family resources, including adoption, for these children; and

''(5) to provide financial assistance, access to health and mental health care, supervised housing, counseling, employment, education, permanency planning, and other appropriate support and services that promote active and responsible citizenship, healthy development, and community membership to former foster care recipients between 18 and 21 years of age to complement their own efforts to achieve long-term self-sufficiency.

''(b) APPLICATIONS.—

''(1) IN GENERAL.—A State may apply for funds from its allotment under subsection (c) for a period of 5 consecutive fiscal years by submitting to the Secretary, in writing, a plan that meets the requirements of paragraph (2) and the certifications required by paragraph (3) with respect to the plan.

''(2) STATE PLAN.—A plan meets the requirements of this paragraph if the plan specifies which State agency or agencies will administer, supervise, or oversee the programs carried out under the plan, and describes how the State intends to do the following:

''(A) Design and deliver programs to achieve the purposes of this section in such a way that each child's health, safety, opportunity for a permanent family, and successful, long-term self-sufficiency is of paramount concern.

''(B) Ensure that all political subdivisions in the State are served by the programs, though not necessarily in a uniform manner.

''(C) Ensure that the programs serve children of various ages and at various stages of achieving independence.

''(D) Involve public and private individuals and organizations familiar with, or interested in addressing, the needs of youths aging out of foster care, including young people served by these programs, and, where they exist, organizations of youths who have been in foster care.

''(E) Use objective criteria for determining eligibility for benefits and services under the programs, and for ensuring fair and equitable treatment of benefit recipients.

''(F) Cooperate in national evaluations of the effects of the programs in achieving the purposes of this section.

''(G) Designate an independent living coordinator to oversee the delivery of benefits and services under the programs.

''(3) CERTIFICATIONS.—The certifications required by this paragraph with respect to a plan are the following:

''(A) A certification by the chief executive officer of the State that the State will provide assistance and services to children who have left foster care after the age of 16 but have not attained 21 years of age.

''(B) A certification by the chief executive officer of the State that not more than 30 percent of the amounts paid to the State from its allotment under subsection (c) for a fiscal year will be expended for room or board for children who have left foster care after the age of 16 and have attained 18 but not 21 years of age, and that such room and board services shall be supervised, including interaction between the youths and adults, and the provision of such services shall include a requirement that the participating youths must be actively enrolled in educational, vocational training, or career development programs.

''(C) A certification by the chief executive officer of the State that none of the amounts paid to the State from its allotment under subsection (c) will be expended for room or board for any child who has not attained 18 years of age.

''(D) A certification by the chief executive officer of the State that the State has consulted widely with public and private individuals and organizations familiar with, or interested in addressing, the needs of youths aging out of foster care, including young people served by the programs under the plan, and, where they exist, organizations of youths who have been in foster care, in developing the plan and that the State has given all interested members of the public at least 30 days to submit comments on the plan.

''(E) A certification by the chief executive officer of the State that the State will make every effort to coordinate the State programs receiving funds provided from an allotment made to the State under subsection (c) with other Federal and State programs for youth, especially transitional living youth projects authorized under part B of title III of the Juvenile Justice and Delinquency Prevention Act of 1974 and funded and administered by the Department of Health and Human Services, local housing programs, programs for disabled youth, and school-to-work programs.

''(F) A certification by the chief executive officer of the State that each Indian tribe in the State has been informed about the programs to be carried out under the plan; that each such tribe has been given an opportunity to comment on the plan before submission to the Secretary; and that benefits and services under the programs will be made available to Indian children in the State on the same basis as to other children in the State.

''(G) A certification by the chief executive officer of the State that the State will use training funds provided under the program of Federal payments for foster care and adoption assistance to provide training to help foster parents, adoptive parents, workers in group homes, and case managers understand and address the issues confronting adolescents preparing for independent living, with such training utilizing a youth development approach, and will, to the extent possible, coordinate such training with the independent living program conducted for adolescents.

''(H) A certification by the chief executive officer of the State that the State will ensure that each adolescent participating in any program under this section will have a personal independent living plan, and that adolescents themselves will participate directly in designing their own program activities that prepare them for independent living and in taking personal responsibility for fulfilling their program requirements.

''(I) A certification by the chief executive officer of the State that the State has established and will enforce standards and procedures to prevent fraud and abuse in the programs carried out under the plan.

''(4) APPROVAL.—The Secretary shall approve an application submitted by a State pursuant to paragraph (1) for a period if—

''(A) the application is submitted on or before June 30 of the calendar year in which such period begins; and

''(B) the Secretary finds that the application contains the material required by paragraph (1).

''(5) AUTHORITY TO IMPLEMENT CERTAIN AMENDMENTS; NOTIFICATION.—A State with an application approved under paragraph (4) may implement any amendment to the plan contained in the application if the application, incorporating the amendment, would be approvable under paragraph (4). Within 30 days after a State implements any such amendment, the State shall notify the Secretary of the amendment.

''(6) AVAILABILITY.—The State shall make available to the public any application submitted by the State pursuant to paragraph (1), and a brief summary of the plan contained in the application.

''(c) ALLOTMENTS TO STATES.—For fiscal year 2000 and each succeeding fiscal year, the Secretary shall allot the amount specified in subsection (h) that remains after applying subsection (g)(2) among States with applications approved under subsection (b) for the fiscal year in the following manner:

''(1) The Secretary shall first allot to each State an amount equal to the amount payable to the State for fiscal year 1998 under this section, as in effect on the day before the date of the enactment of the Foster Care Independence Act of 1999.

''(2) From the amount remaining after carrying out paragraph (1), the Secretary shall allot to each State that elects the option under section 1902(a)(10)(A)(ii)(XV) to provide medical assistance to independent foster care adolescents the sum of—

''(A) an amount equal to one-half of the amount allotted to the State under paragraph (1), plus

''(B) an amount bearing the same ratio to the amount remaining after carrying out paragraph (1) and subparagraph (A) as the number of children in foster care under a program of the State in the most recent fiscal year for which such information is available bears to the total number of children in such foster care in all States for such most recent fiscal year.

''(3) REALLOTMENT OF UNUSED FUNDS.—The Secretary shall use the formula provided in paragraph (1) of this subsection to reallot among the States with applications approved under subsection (b) for a fiscal year any amount allotted to a State under this subsection for the preceding year that is not payable to the State for the preceding year.

''(d) USE OF FUNDS.—

''(1) IN GENERAL.—A State to which an amount is paid from its allotment under subsection (c) may use the amount in any manner that is reasonably calculated to accomplish the purposes of this section.

''(2) NO SUPPLANTATION OF OTHER FUNDS AVAILABLE FOR SAME GENERAL PURPOSES.—The amounts paid to a State from its allotment under subsection (c) shall be used to supplement and not supplant any other funds which are available for the same general purposes in the State.

''(e) PENALTIES.—

''(1) USE OF GRANT IN VIOLATION OF THIS PART.—If the Secretary is made aware, by an audit conducted under chapter 75 of title 31, United States Code, or by any other means, that a program receiving funds from an allotment made to a State under subsection (c) has been operated in a manner that is inconsistent with, or not disclosed in the State application approved under subsection (b), the Secretary shall assess a penalty against the State in an amount equal to not less than 1 percent and not more than 5 percent of the amount of the allotment.

''(2) FAILURE TO COMPLY WITH DATA REPORTING REQUIREMENT.—The Secretary shall assess a penalty against a State that fails during a fiscal year to comply with an information collection plan implemented under subsection (f) in an amount equal to not less than 1 percent and not more than 5 percent of the amount allotted to the State for the fiscal year.

''(3) PENALTIES BASED ON DEGREE OF NONCOMPLIANCE.—The Secretary shall assess penalties under this subsection based on the degree of noncompliance.

''(f) DATA COLLECTION AND PERFORMANCE MEASUREMENT.—

''(1) IN GENERAL.—The Secretary, in consultation with State and local public officials responsible for administering independent living and other child welfare programs, child welfare advocates, members of Congress, youth service providers, and researchers, shall—

''(A) develop outcome measures (such as measures of educational attainment, employment, career goal-setting and development, active participation in personal health care, development of healthy relationships with family, mentors, and other community members, as well as, avoidance of dependency, homelessness, nonmarital childbirth, illegal activities, substance abuse or alcohol dependence, and high-risk behaviors) that can be used—

''(i) to assess the performance of States in operating independent living programs, and

''(ii) to explicitly track all outcomes, particularly those related to educational attainment, for youths who are provided with room and board services under such State programs;

''(B) identify data elements needed to track—

''(i) the number and characteristics of children receiving services under this section;

''(ii) the type and quantity of services being provided; and

''(iii) State performance on the outcome measures;

''(C) develop and implement a plan to collect the needed information beginning with the 2nd fiscal year beginning after the date of the enactment of this section; and

''(D) ensure that the data collection plan described in subparagraph (C) will be coordinated with the development and implementation of other data collection efforts required under the Adoption and Safe Families Act of 1997 and the Adoption and Foster Care Reporting System and the Statewide Automated Child Welfare Information Systems.

''(2) REPORT TO THE CONGRESS.—Within 12 months after the date of the enactment of this section, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report detailing the plans and timetable for collecting from the States the information described in paragraph (1).

''(g) EVALUATIONS.—

''(1) IN GENERAL.—The Secretary shall conduct evaluations of such State programs funded under this section as the Secretary deems to be innovative or of potential national significance. The evaluation of any such program shall include information on the effects of the program on education, employment, and personal development. To the maximum extent practicable, the evaluations shall be based on rigorous scientific standards including random assignment to treatment and control groups. The Secretary is encouraged to work directly with State and local governments to design methods for conducting the evaluations, directly or by grant, contract, or cooperative agreement.

''(2) FUNDING OF EVALUATIONS.—The Secretary shall reserve 1.5 percent of the amount specified in subsection (h) for a fiscal year to carry out, during the fiscal year, evaluation, technical assistance, performance measurement, and data collection activities related to this section, directly or through grants, contracts, or cooperative agreements with appropriate entities.

''(h) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Secretary $140,000,000 for each fiscal year.''.

(c) PAYMENTS TO STATES.—Section 474(a)(4) of such Act (42 U.S.C. 674(a)(4)) is amended to read as follows:

''(4) the lesser of—

''(A) 80 percent of the amount (if any) by which—

''(i) the total amount expended by the State during the fiscal year in which the quarter occurs to carry out programs in accordance with the State application approved under section 477(b) for the period in which the quarter occurs (including any amendment that meets the requirements of section 477(b)(5)); exceeds

''(ii) the total amount of any penalties assessed against the State under section 477(e) during the fiscal year in which the quarter occurs; or

''(B) the amount allotted to the State under section 477 for the fiscal year in which the quarter occurs, reduced by the total of the amounts payable to the State under this paragraph for all prior quarters in the fiscal year.''.

(d) REGULATIONS.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall issue such regulations as may be necessary to carry out the amendments made by this section.

Subtitle B—Related Foster Care Provision

SEC. 111. INCREASE IN AMOUNT OF ASSETS ALLOWABLE FOR CHILDREN IN FOSTER CARE.

Section 472(a) of the Social Security Act (42 U.S.C. 672(a)) is amended by adding at the end the following: ''In determining whether a child would have received aid under a State plan approved under section 402 (as in effect on July 16, 1996), a child whose resources (determined pursuant to section 402(a)(7)(B), as so in effect) have a combined value of not more than $10,000 shall be considered to be a child whose resources have a combined value of not more than $1,000 (or such lower amount as the State may determine for purposes of such section 402(a)(7)(B)).''.

Subtitle C—Medicaid Amendments

SEC. 121. STATE OPTION OF MEDICAID COVERAGE FOR ADOLESCENTS LEAVING FOSTER CARE.

(a) IN GENERAL.—Title XIX of the Social Security Act is amended—

(1) in section 1902(a)(10)(A)(ii) (42 U.S.C. 1396a(a)(10)(A)(ii))—

(A) by striking ''or'' at the end of subclause (XIII);

(B) by adding ''or'' at the end of subclause (XIV); and

(C) by adding at the end the following new subclause:

''(XV) who are independent foster care adolescents (as defined in (section 1905(v)(1));''; and

(2) in section 1905 (42 U.S.C. 1396d), by adding at the end the following new subsection:

''(v)(1) For purposes of this title, the term 'independent foster care adolescent' means an individual—

''(A) who is under 21 years of age;

''(B)(i) who, on the individual's 18th birthday, was in foster care under the responsibility of a State, (ii) who is described in subparagraph (A), (B), or (C) of section 477(a)(2) (regardless of whether or not the State has exercised the option described in such subparagraph (B) or (C)), or (iii) who was adopted after the individual's 16th birthday and before the individual's 18th birthday and with respect to whose adoption there was in effect an adoption assistance agreement described in section 473; and

''(C) who meets the income and resource standards (if any) established by the State consistent with paragraph (2).

The State may waive the application of any resource or income standard otherwise applicable under subparagraph (C) for reasonable classifications of adolescents.

''(2) The income and resource standards (if any) established by a State under paragraph (1)(C) may not be less than the corresponding income and resource standards applied by the State under section 1931(b) and the income and resource methodologies (if any) used in applying such paragraph may not be more restrictive than the methodologies referred to in paragraph (2)(C) of such section.''.

(b) CONFORMING AMENDMENT.—Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) is amended by inserting ''1902(a)(10)(A)(ii)(XV),'' after 1902(a)(10)(A)(ii)((X),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance for items and services furnished on or after October 1, 1999, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

Subtitle D—Welfare-To-Work Amendments

SEC. 131. CHILDREN AGING OUT OF FOSTER CARE ELIGIBLE FOR SERVICES.

(a) RECIPIENTS WITH CHARACTERISTICS OF LONG-TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER CARE.—Clause (iii) of section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(iii)) is amended—

(1) in subclause (I), by striking ''or'' at the end;

(2) in subclause (II), by striking the period at the end and inserting ''; or''; and

(3) by inserting after subclause (II) the following new subclause:

''(III) to children—

''(aa) who have attained 18 years of age but not 25 years of age; and

''(bb) who, on the day before attaining 18 years of age were recipients of foster care maintenance payments (as defined in section 475(4)) under part E or were in foster care under the responsibility of a State.''.

(b) CONFORMING AMENDMENT.—Section 403(a)(5)(C)(iii) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(iii)) is amended by inserting ''HARD TO EMPLOY'' before ''INDIVIDUALS'' in the heading.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

TITLE II—SSI FRAUD PREVENTION

Subtitle A—Fraud Prevention and Related Provisions

SEC. 201. LIABILITY OF REPRESENTATIVE PAYEES FOR OVERPAYMENTS TO DECEASED RECIPIENTS.

(a) AMENDMENT TO TITLE II.—Section 204(a)(2) of the Social Security Act (42 U.S.C. 404(a)(2)) is amended by adding at the end the following new sentence: ''If any payment of more than the correct amount is made to a representative payee on behalf of an individual after the individual's death, the representative payee shall be liable for the repayment of the overpayment, and the Commissioner of Social Security shall establish an overpayment control record under the social security account number of the representative payee.''.

(b) AMENDMENT TO TITLE XVI.—Section 1631(b)(2) of such Act (42 U.S.C. 1383(b)(2)) is amended by adding at the end the following new sentence: ''If any payment of more than the correct amount is made to a representative payee on behalf of an individual after the individual's death, the representative payee shall be liable for the repayment of the overpayment, and the Commissioner of Social Security shall establish an overpayment control record under the social security account number of the representative payee.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to overpayments made 12 months or more after the date of the enactment of this Act.

SEC. 202. RECOVERY OF OVERPAYMENTS OF SSI BENEFITS FROM LUMP SUM SSI BENEFIT PAYMENTS.

(a) IN GENERAL.—Section 1631(b)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1383(b)(1)(B)(ii)) is amended—

(1) by inserting ''monthly'' before ''benefit payments''; and

(2) by inserting ''and in the case of an individual or eligible spouse to whom a lump sum is payable under this title (including under section 1616(a) of this Act or under an agreement entered into under section 212(a) of Public Law 93–66) shall, as at least one means of recovering such overpayment, make the adjustment or recovery from the lump sum payment in an amount equal to not less than the lesser of the amount of the overpayment or 50 percent of the lump sum payment,'' before ''unless fraud''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 12 months after the date of the enactment of this Act and shall apply to amounts incorrectly paid which remain outstanding on or after such date.

SEC. 203. ADDITIONAL DEBT COLLECTION PRACTICES.

(a) IN GENERAL.—Section 1631(b) of the Social Security Act (42 U.S.C. 1383(b)) is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

''(4)(A) With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(f), 3716, 3717, and 3718 of title 31, United States Code, and in section 5514 of title 5, United States Code, all as in effect immediately after the enactment of the Debt Collection Improvement Act of 1996.

''(B) For purposes of subparagraph (A), the term 'delinquent amount' means an amount—

''(i) in excess of the correct amount of payment under this title;

''(ii) paid to a person after such person has attained 18 years of age; and

''(iii) determined by the Commissioner of Social Security, under regulations, to be otherwise unrecoverable under this section after such person ceases to be a beneficiary under this title.''.

(b) CONFORMING AMENDMENTS.—Section 3701(d)(2) of title 31, United States Code, is amended by striking ''section 204(f)'' and inserting ''sections 204(f) and 1631(b)(4)''.

(c) TECHNICAL AMENDMENTS.—Section 204(f) of the Social Security Act (42 U.S.C. 404(f)) is amended—

(1) by striking ''3711(e)'' and inserting ''3711(f)''; and

(2) by inserting ''all'' before ''as in effect''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to debt outstanding on or after the date of the enactment of this Act.

SEC. 204. REQUIREMENT TO PROVIDE STATE PRISONER INFORMATION TO FEDERAL AND FEDERALLY ASSISTED BENEFIT PROGRAMS.

Section 1611(e)(1)(I)(ii)(II) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)) is amended by striking ''is authorized to'' and inserting ''shall''.

SEC. 205. RULES RELATING TO COLLECTION OF OVERPAYMENTS FROM INDIVIDUALS CONVICTED OF CRIMES.

(a) WAIVERS INAPPLICABLE TO OVERPAYMENTS BY REASON OF PAYMENT IN MONTHS IN WHICH BENEFICIARY IS A PRISONER OR A FUGITIVE.—

(1) AMENDMENT TO TITLE II.—Section 204(b) of the Social Security Act (42 U.S.C. 404(b)) is amended—

(A) by inserting ''(1)'' after ''(b)''; and

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

''(2) Paragraph (1) shall not apply with respect to any payment to any person made during a month in which such benefit was not payable under section 202(x).''.

(2) AMENDMENT TO TITLE XVI.—Section 1631(b)(1)(B)(i) of such Act (42 U.S.C. 1383(b)(1)(B)(i)) is amended by inserting ''unless (I) section 1611(e)(1) prohibits payment to the person of a benefit under this title for the month by reason of confinement of a type described in clause (i) or (ii) of section 202(x)(1)(A), or (II) section 1611(e)(5) prohibits payment to the person of a benefit under this title for the month,'' after ''administration of this title''.

(b) 10-YEAR PERIOD OF INELIGIBILITY FOR PERSONS FAILING TO NOTIFY COMMISSIONER OF OVERPAYMENTS IN MONTHS IN WHICH BENEFICIARY IS A PRISONER OR A FUGITIVE OR FAILING TO COMPLY WITH REPAYMENT SCHEDULE FOR SUCH OVERPAYMENTS.—

(1) AMENDMENT TO TITLE II.—Section 202(x) of such Act (42 U.S.C. 402(x)) is amended by adding at the end the following new paragraph:

''(4)(A) No person shall be considered entitled to monthly insurance benefits under this section based on the person's disability or to disability insurance benefits under section 223 otherwise payable during the 10-year period that begins on the date the person—

''(i) knowingly fails to timely notify the Commissioner of Social Security, in connection with any application for benefits under this title, of any prior receipt by such person of any benefit under this title or title XVI in any month in which such benefit was not payable under the preceding provisions of this subsection, or

''(ii) knowingly fails to comply with any schedule imposed by the Commissioner which is for repayment of overpayments comprised of payments described in subparagraph (A) and which is in compliance with section 204.

''(B) The Commissioner of Social Security shall, in addition to any other relevant factors, take into account any mental or linguistic limitations of a person (including any lack of facility with the English language) in determining whether the person has knowingly failed to comply with a requirement of clause (i) or (ii) of subparagraph (A).''.

(2) AMENDMENT TO TITLE XVI.—Section 1611(e)(1) of such Act (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

''(J)(i) A person shall not be considered an eligible individual or eligible spouse for purposes of benefits under this title by reason of disability, during the 10-year period that begins on the date the person—

''(I) knowingly fails to timely notify the Commissioner of Social Security, in an application for benefits under this title, of any prior receipt by the person of a benefit under this title or title II in a month in which payment to the person of a benefit under this title was prohibited by—

''(aa) the preceding provisions of this paragraph by reason of confinement of a type described in clause (i) or (ii) of section 202(x)(1)(A); or

''(bb) section 1611(e)(4); or

''(II) knowingly fails to comply with any schedule imposed by the Commissioner which is for repayment of overpayments comprised of payments described in clause (i) of this subparagraph and which is in compliance with section 1631(b).

''(ii) The Commissioner of Social Security shall, in addition to any other relevant factors, take into account any mental or linguistic limitations of a person (including any lack of facility with the English language) in determining whether the person has knowingly failed to comply with a requirement of subclause (I) or (II) of clause (i).''.

(c) CONTINUED COLLECTION EFFORTS AGAINST PRISONERS.—

(1) AMENDMENT TO TITLE II.—Section 204(b) of such Act (42 U.S.C. 404(b)), as amended by subsection (a)(1) of this section, is amended further by adding at the end the following new paragraph:

''(3) The Commissioner shall not refrain from recovering overpayments from resources currently available to any overpaid person or to such person's estate solely because such individual is confined as described in clause (i) or (ii) of section 202(x)(1)(A).''.

(2) AMENDMENT TO TITLE XVI.—Section 1631(b)(1)(A) of such Act (42 U.S.C. 1383(b)(1)(A)) is amended by adding after and below clause (ii) the following flush left sentence:

''The Commissioner shall not refrain from recovering overpayments from resources currently available to any individual solely because the individual is confined as described in clause (i) or (ii) of section 202(x)(1)(A).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to overpayments made in, and to benefits payable for, months beginning 24 months or more after the date of the enactment of this Act.

SEC. 206. TREATMENT OF ASSETS HELD IN TRUST UNDER THE SSI PROGRAM.

(a) TREATMENT AS RESOURCE.—Section 1613 of the Social Security Act (42 U.S.C. 1382b) is amended by adding at the end the following new subsection:

''Trusts

''(e)(1) In determining the resources of an individual, paragraph (3) shall apply to a trust (other than a trust described in paragraph (5)) established by the individual.

''(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if any assets of the individual (or of the individual's spouse) are transferred to the trust other than by will.

''(B) In the case of an irrevocable trust to which are transferred the assets of an individual (or of the individual's spouse) and the assets of any other person, this subsection shall apply to the portion of the trust attributable to the assets of the individual (or of the individual's spouse).

''(C) This subsection shall apply to a trust without regard to—

''(i) the purposes for which the trust is established;

''(ii) whether the trustees have or exercise any discretion under the trust;

''(iii) any restrictions on when or whether distributions may be made from the trust; or

''(iv) any restrictions on the use of distributions from the trust.

''(3)(A) In the case of a revocable trust established by an individual, the corpus of the trust shall be considered a resource available to the individual.

''(B) In the case of an irrevocable trust established by an individual, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual or the individual's spouse, the portion of the corpus from which payment to or for the benefit of the individual or the individual's spouse could be made shall be considered a resource available to the individual.

''(4) The Commissioner of Social Security may waive the application of this subsection with respect to an individual if the Commissioner determines that such application would work an undue hardship (as determined on the basis of criteria established by the Commissioner) on the individual.

''(5) This subsection shall not apply to a trust described in subparagraph (A) or (C) of section 1917(d)(4).

''(6) For purposes of this subsection—

''(A) the term 'trust' includes any legal instrument or device that is similar to a trust;

''(B) the term 'corpus' means, with respect to a trust, all property and other interests held by the trust, including accumulated earnings and any other addition to the trust after its establishment (except that such term does not include any such earnings or addition in the month in which the earnings or addition is credited or otherwise transferred to the trust); and

''(C) the term 'asset' includes any income or resource of the individual or of the individual's spouse, including—

''(i) any income excluded by section 1612(b);

''(ii) any resource otherwise excluded by this section; and

''(iii) any other payment or property to which the individual or the individual's spouse is entitled but does not receive or have access to because of action by—

''(I) the individual or spouse;

''(II) a person or entity (including a court) with legal authority to act in place of, or on behalf of, the individual or spouse; or

''(III) a person or entity (including a court) acting at the direction of, or on the request of, the individual or spouse.''.

(b) TREATMENT AS INCOME.—Section 1612(a)(2) of such Act (42 U.S.C. 1382a(a)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

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

''(G) any earnings of, and additions to, the corpus of a trust established by an individual (within the meaning of section 1613(e)), of which the individual is a beneficiary, to which section 1613(e) applies, and, in the case of an irrevocable trust, with respect to which circumstances exist under which a payment from the earnings or additions could be made to or for the benefit of the individual.''.

(c) CONFORMING AMENDMENTS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by adding ''and'' at the end of subparagraph (F); and

(3) by inserting after subparagraph (F) the following new subparagraph:

''(G) that, in applying eligibility criteria of the supplemental security income program under title XVI for purposes of determining eligibility for medical assistance under the State plan of an individual who is not receiving supplemental security income, the State will disregard the provisions of section 1613(e);''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2000, and shall apply to trusts established on or after such date.

SEC. 207. DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE UNDER THE SSI PROGRAM.

(a) IN GENERAL.—Section 1613(c) of the Social Security Act (42 U.S.C. 1382b(c)) is amended—

(1) in the caption, by striking ''Notification of Medicaid Policy Restricting Eligibility of Institutionalized Individuals for Benefits Based on'';

(2) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting ''paragraph (1) and'' after ''provisions of'';

(ii) by striking ''title XIX'' the first place it appears and inserting ''this title and title XIX, respectively,'';

(iii) by striking ''subparagraph (B)'' and inserting ''clause (ii)'';

(iv) by striking ''paragraph (2)'' and inserting ''subparagraph (B)'';

(B) in subparagraph (B)—

(i) by striking ''by the State agency''; and

(ii) by striking ''section 1917(c)'' and all that follows and inserting ''paragraph (1) or section 1917(c).''; and

(C) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) in paragraph (2)—

(A) by striking ''(2)'' and inserting ''(B)''; and

(B) by striking ''paragraph (1)(B)'' and inserting ''subparagraph (A)(ii)'';

(4) by striking ''(c)(1)'' and inserting ''(2)(A)''; and

(5) by inserting before paragraph (2) (as so redesignated by paragraph (4) of this subsection) the following new subsection:

''(c)(1)(A)(i) If an individual or the spouse of an individual disposes of resources for less than fair market value on or after the look-back date described in clause (ii)(I), the individual is ineligible for benefits under this title for months during the period beginning on the date described in clause (iii) and equal to the number of months calculated as provided in clause (iv).

''(ii)(I) The look-back date described in this subclause is a date that is 36 months before the date described in subclause (II).

''(II) The date described in this subclause is the date on which the individual applies for benefits under this title or, if later, the date on which the individual (or the spouse of the individual) disposes of resources for less than fair market value.

''(iii) The date described in this clause is the first day of the first month in or after which resources were disposed of for less than fair market value and which does not occur in any other period of ineligibility under this paragraph.

''(iv) The number of months calculated under this clause shall be equal to—

''(I) the total, cumulative uncompensated value of all resources so disposed of by the individual (or the spouse of the individual) on or after the look-back date described in clause (ii)(I); divided by

''(II) the amount of the maximum monthly benefit payable under section 1611(b), plus the amount (if any) of the maximum State supplementary payment corresponding to the State's payment level applicable to the individual's living arrangement and eligibility category that would otherwise be payable to the individual by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66, for the month in which occurs the date described in clause (ii)(II),

rounded, in the case of any fraction, to the nearest whole number, but shall not in any case exceed 36 months.

''(B)(i) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a resource to a trust if the portion of the trust attributable to the resource is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(4)).

''(ii) In the case of a trust established by an individual or an individual's spouse (within the meaning of subsection (e)), if from such portion of the trust, if any, that is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(4)) or the residue of the portion on the termination of the trust—

''(I) there is made a payment other than to or for the benefit of the individual; or

''(II) no payment could under any circumstance be made to the individual,

then, for purposes of this subsection, the payment described in clause (I) or the foreclosure of payment described in clause (II) shall be considered a transfer of resources by the individual or the individual's spouse as of the date of the payment or foreclosure, as the case may be.

''(C) An individual shall not be ineligible for benefits under this title by reason of the application of this paragraph to a disposal of resources by the individual or the spouse of the individual, to the extent that—

''(i) the resources are a home and title to the home was transferred to—

''(I) the spouse of the transferor;

''(II) a child of the transferor who has not attained 21 years of age, or is blind or disabled;

''(III) a sibling of the transferor who has an equity interest in such home and who was residing in the transferor's home for a period of at least 1 year immediately before the date the transferor becomes an institutionalized individual; or

''(IV) a son or daughter of the transferor (other than a child described in subclause (II)) who was residing in the transferor's home for a period of at least 2 years immediately before the date the transferor becomes an institutionalized individual, and who provided care to the transferor which permitted the transferor to reside at home rather than in such an institution or facility;

''(ii) the resources—

''(I) were transferred to the transferor's spouse or to another for the sole benefit of the transferor's spouse;

''(II) were transferred from the transferor's spouse to another for the sole benefit of the transferor's spouse;

''(III) were transferred to, or to a trust (including a trust described in section 1917(d)(4)) established solely for the benefit of, the transferor's child who is blind or disabled; or

''(IV) were transferred to a trust (including a trust described in section 1917(d)(4)) established solely for the benefit of an individual who has not attained 65 years of age and who is disabled;

''(iii) a satisfactory showing is made to the Commissioner of Social Security (in accordance with regulations promulgated by the Commissioner) that—

''(I) the individual who disposed of the resources intended to dispose of the resources either at fair market value, or for other valuable consideration;

''(II) the resources were transferred exclusively for a purpose other than to qualify for benefits under this title; or

''(III) all resources transferred for less than fair market value have been returned to the transferor; or

''(iv) the Commissioner determines, under procedures established by the Commissioner, that the denial of eligibility would work an undue hardship as determined on the basis of criteria established by the Commissioner.

''(D) For purposes of this subsection, in the case of a resource held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the resource (or the affected portion of such resource) shall be considered to be disposed of by the individual when any action is taken, either by the individual or by any other person, that reduces or eliminates the individual's ownership or control of such resource.

''(E) In the case of a transfer by the spouse of an individual that results in a period of ineligibility for the individual under this subsection, the Commissioner shall apportion the period (or any portion of the period) among the individual and the individual's spouse if the spouse becomes eligible for benefits under this title.

''(F) For purposes of this paragraph—

''(i) the term 'benefits under this title' includes payments of the type described in section 1616(a) of this Act and of the type described in section 212(b) of Public Law 93–66;

''(ii) the term 'institutionalized individual' has the meaning given such term in section 1917(e)(3); and

''(iii) the term 'trust' has the meaning given such term in subsection (e)(6)(A) of this section.''.

(b) CONFORMING AMENDMENT.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)), as amended by section 206(c) of this Act, is amended by striking ''section 1613(e)'' and inserting ''subsections (c) and (e) of section 1613''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to disposals made on or after the date of the enactment of this Act.

SEC. 208. ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES FOR FALSE OR MISLEADING STATEMENTS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1129 the following new section:

''SEC. 1129A. ADMINISTRATIVE PROCEDURE FOR IMPOSING PENALTIES FOR FALSE OR MISLEADING STATEMENTS.

''(a) IN GENERAL.—Any person who makes, or causes to be made, a statement or representation of a material fact for use in determining any initial or continuing right to or the amount of—

''(1) monthly insurance benefits under title II; or

''(2) benefits or payments under title XVI,

that the person knows or should know is false or misleading or knows or should know omits a material fact or makes such a statement with knowing disregard for the truth shall be subject to, in addition to any other penalties that may be prescribed by law, a penalty described in subsection (b) to be imposed by the Commissioner of Social Security.

''(b) PENALTY.—The penalty described in this subsection is—

''(1) nonpayment of benefits under title II that would otherwise be payable to the person; and

''(2) ineligibility for cash benefits under title XVI,

for each month that begins during the applicable period described in subsection (c).

''(c) DURATION OF PENALTY.—The duration of the applicable period, with respect to a determination by the Commissioner under subsection (a) that a person has engaged in conduct described in subsection (a), shall be—

''(1) 6 consecutive months, in the case of a first such determination with respect to the person;

''(2) 12 consecutive months, in the case of a second such determination with respect to the person; and

''(3) 24 consecutive months, in the case of a third or subsequent such determination with respect to the person.

''(d) EFFECT ON OTHER ASSISTANCE.—A person subject to a period of nonpayment of benefits under title II or ineligibility for title XVI benefits by reason of this section nevertheless shall be considered to be eligible for and receiving such benefits, to the extent that the person would be receiving or eligible for such benefits but for the imposition of the penalty, for purposes of—

''(1) determination of the eligibility of the person for benefits under titles XVIII and XIX; and

''(2) determination of the eligibility or amount of benefits payable under title II or XVI to another person.

''(e) DEFINITION.—In this section, the term 'benefits under title XVI' includes State supplementary payments made by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66.

''(f) CONSULTATIONS.—The Commissioner of Social Security shall consult with the Inspector General of the Social Security Administration regarding initiating actions under this section.''.

(b) CONFORMING AMENDMENT PRECLUDING DELAYED RETIREMENT CREDIT FOR ANY MONTH TO WHICH A NONPAYMENT OF BENEFITS PENALTY APPLIES.—Section 202(w)(2)(B) of such Act (42 U.S.C. 402(w)(2)(B)) is amended—

(1) by striking ''and'' at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting '', and''; and

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

''(iii) such individual was not subject to a penalty imposed under section 1129A.''.

(c) ELIMINATION OF REDUNDANT PROVISION.—Section 1611(e) of such Act (42 U.S.C. 1382(e)) is amended—

(1) by striking paragraph (4);

(2) in paragraph (6)(A)(i), by striking ''(5)'' and inserting ''(4)''; and

(3) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(d) REGULATIONS.—Within 6 months after the date of the enactment of this Act, the Commissioner of Social Security shall develop regulations that prescribe the administrative process for making determinations under section 1129A of the Social Security Act (including when the applicable period in subsection (c) of such section shall commence), and shall provide guidance on the exercise of discretion as to whether the penalty should be imposed in particular cases.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to statements and representations made on or after the date of the enactment of this Act.

SEC. 209. EXCLUSION OF REPRESENTATIVES AND HEALTH CARE PROVIDERS CONVICTED OF VIOLATIONS FROM PARTICIPATION IN SOCIAL SECURITY PROGRAMS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act (42 U.S.C. 1301–1320b–17) is amended by adding at the end the following new section:

''EXCLUSION OF REPRESENTATIVES AND HEALTH CARE PROVIDERS CONVICTED OF VIOLATIONS FROM PARTICIPATION IN SOCIAL SECURITY PROGRAMS

''SEC. 1148. (a) IN GENERAL.—The Commissioner of Social Security shall exclude from participation in the social security programs any representative or health care provider—

''(1) who is convicted of a violation of section 208 or 1632 of this Act,

''(2) who is convicted of any violation under title 18, United States Code, relating to an initial application for or continuing entitlement to, or amount of, benefits under title II of this Act, or an initial application for or continuing eligibility for, or amount of, benefits under title XVI of this Act, or

''(3) who the Commissioner determines has committed an offense described in section 1129(a)(1) of this Act.

''(b) NOTICE, EFFECTIVE DATE, AND PERIOD OF EXCLUSION.—(1) An exclusion under this section shall be effective at such time, for such period, and upon such reasonable notice to the public and to the individual excluded as may be specified in regulations consistent with paragraph (2).

''(2) Such an exclusion shall be effective with respect to services furnished to any individual on or after the effective date of the exclusion. Nothing in this section may be construed to preclude, in determining disability under title II or title XVI, consideration of any medical evidence derived from

services provided by a health care provider before the effective date of the exclusion of the health care provider under this section.

''(3)(A) The Commissioner shall specify, in the notice of exclusion under paragraph (1), the period of the exclusion.

''(B) Subject to subparagraph (C), in the case of an exclusion under subsection (a), the minimum period of exclusion shall be five years, except that the Commissioner may waive the exclusion in the case of an individual who is the sole source of essential services in a community. The Commissioner's decision whether to waive the exclusion shall not be reviewable.

''(C) In the case of an exclusion of an individual under subsection (a) based on a conviction or a determination described in subsection (a)(3) occurring on or after the date of the enactment of this section, if the individual has (before, on, or after such date of enactment) been convicted, or if such a determination has been made with respect to the individual—

''(i) on one previous occasion of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be not less than 10 years, or

''(ii) on 2 or more previous occasions of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be permanent.

''(c) NOTICE TO STATE AGENCIES.—The Commissioner shall promptly notify each appropriate State agency employed for the purpose of making disability determinations under section 221 or 1633(a)—

''(1) of the fact and circumstances of each exclusion effected against an individual under this section, and

''(2) of the period (described in subsection (b)(3)) for which the State agency is directed to exclude the individual from participation in the activities of the State agency in the course of its employment.

''(d) NOTICE TO STATE LICENSING AGENCIES.—The Commissioner shall—

''(1) promptly notify the appropriate State or local agency or authority having responsibility for the licensing or certification of an individual excluded from participation under this section of the fact and circumstances of the exclusion,

''(2) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy, and

''(3) request that the State or local agency or authority keep the Commissioner and the Inspector General of the Social Security Administration fully and currently informed with respect to any actions taken in response to the request.

''(e) NOTICE, HEARING, AND JUDICIAL REVIEW.—(1) Any individual who is excluded (or directed to be excluded) from participation under this section is entitled to reasonable notice and opportunity for a hearing thereon by the Commissioner to the same extent as is provided in section 205(b), and to judicial review of the Commissioner's final decision after such hearing as is provided in section 205(g).

''(2) The provisions of section 205(h) shall apply with respect to this section to the same extent as it is applicable with respect to title II.

''(f) APPLICATION FOR TERMINATION OF EXCLUSION.—(1) An individual excluded from participation under this section may apply to the Commissioner, in the manner specified by the Commissioner in regulations and at the end of the minimum period of exclusion provided under subsection (b)(3) and at such other times as the Commissioner may provide, for termination of the exclusion effected under this section.

''(2) The Commissioner may terminate the exclusion if the Commissioner determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Commissioner at the time of the exclusion, that—

''(A) there is no basis under subsection (a) for a continuation of the exclusion, and

''(B) there are reasonable assurances that the types of actions which formed the basis for the original exclusion have not recurred and will not recur.

''(3) The Commissioner shall promptly notify each State agency employed for the purpose of making disability determinations under section 221 or 1633(a) of the fact and circumstances of each termination of exclusion made under this subsection.

''(g) AVAILABILITY OF RECORDS OF EXCLUDED REPRESENTATIVES AND HEALTH CARE PROVIDERS.—Nothing in this section shall be construed to have the effect of limiting access by any applicant or beneficiary under title II or XVI, any State agency acting under section 221 or 1633(a), or the Commissioner to records maintained by any representative or health care provider in connection with services provided to the applicant or beneficiary prior to the exclusion of such representative or health care provider under this section.

''(h) REPORTING REQUIREMENT.—Any representative or health care provider participating in, or seeking to participate in, a social security program shall inform the Commissioner, in such form and manner as the Commissioner shall prescribe by regulation, whether such representative or health care provider has been convicted of a violation described in subsection (a).

''(i) DELEGATION OF AUTHORITY.—The Commissioner may delegate authority granted by this section to the Inspector General.

''(j) DEFINITIONS.—For purposes of this section:

''(1) EXCLUDE.—The term 'exclude' from participation means—

''(A) in connection with a representative, to prohibit from engaging in representation of an applicant for, or recipient of, benefits, as a representative payee under section 205(j) or 1631(a)(2)(A)(ii), or otherwise as a representative, in any hearing or other proceeding relating to entitlement to benefits, and

''(B) in connection with a health care provider, to prohibit from providing items or services to an applicant for, or recipient of, benefits for the purpose of assisting such applicant or recipient in demonstrating disability.

''(2) SOCIAL SECURITY PROGRAM.—The term 'social security programs' means the program providing for monthly insurance benefits under title II, and the program providing for monthly supplemental security income benefits to individuals under title XVI (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66).

''(3) CONVICTED.—An individual is considered to have been 'convicted' of a violation—

''(A) when a judgment of conviction has been entered against the individual by a Federal, State, or local court, except if the judgment of conviction has been set aside or expunged;

''(B) when there has been a finding of guilt against the individual by a Federal, State, or local court;

''(C) when a plea of guilty or nolo contendere by the individual has been accepted by a Federal, State, or local court; or

''(D) when the individual has entered into participation in a first offender, deferred adjudication, or other arrangement or program where judgment of conviction has been withheld.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to convictions of violations described in paragraphs (1) and (2) of section 1148(a) of the Social Security Act and determinations described in paragraph (3) of such section occurring on or after the date of the enactment of this Act.

SEC. 210. STATE DATA EXCHANGES.

Whenever the Commissioner of Social Security requests information from a State for the purpose of ascertaining an individual's eligibility for benefits (or the correct amount of such benefits) under title II or XVI of the Social Security Act, the standards of the Commissioner promulgated pursuant to section 1106 of such Act or any other Federal law for the use, safeguarding, and disclosure of information are deemed to meet any standards of the State that would otherwise apply to the disclosure of information by the State to the Commissioner.

SEC. 211. STUDY ON POSSIBLE MEASURES TO IMPROVE FRAUD PREVENTION AND ADMINISTRATIVE PROCESSING.

(a) STUDY.—As soon as practicable after the date of the enactment of this Act, the Commissioner of Social Security, in consultation with the Inspector General of the Social Security Administration and the Attorney General, shall conduct a study of possible measures to improve—

(1) prevention of fraud on the part of individuals entitled to disability benefits under section 223 of the Social Security Act or benefits under section 202 of such Act based on the beneficiary's disability, individuals eligible for supplemental security income benefits under title XVI of such Act, and applicants for any such benefits; and

(2) timely processing of reported income changes by individuals receiving such benefits.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report that contains the results of the Commissioner's study under subsection (a). The report shall contain such recommendations for legislative and administrative changes as the Commissioner considers appropriate.

SEC. 212. ANNUAL REPORT ON AMOUNTS NECESSARY TO COMBAT FRAUD.

(a) IN GENERAL.—Section 704(b)(1) of the Social Security Act (42 U.S.C. 904(b)(1)) is amended—

(1) by inserting ''(A)'' after ''(b)(1)''; and

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

''(B) The Commissioner shall include in the annual budget prepared pursuant to subparagraph (A) an itemization of the amount of funds required by the Social Security Administration for the fiscal year covered by the budget to support efforts to combat fraud committed by applicants and beneficiaries.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to annual budgets prepared for fiscal years after fiscal year 1999.

SEC. 213. COMPUTER MATCHES WITH MEDICARE AND MEDICAID INSTITUTIONALIZATION DATA.

(a) IN GENERAL.—Section 1611(e)(1) of the Social Security Act (42 U.S.C. 1382(e)(1)), as amended by section 205(b)(2) of this Act, is further amended by adding at the end the following new subparagraph:

''(K) For the purpose of carrying out this paragraph, the Commissioner of Social Security shall conduct periodic computer matches with data maintained by the Secretary of Health and Human Services under title XVIII or XIX. The Secretary shall furnish to the Commissioner, in such form and manner and under such terms as the Commissioner and the Secretary shall mutually agree, such information as the Commissioner may request for this purpose. Information obtained pursuant to such a match may be substituted for the physician's certification otherwise required under subparagraph (G)(i).''.

(b) CONFORMING AMENDMENT.—Section 1611(e)(1)(G) of such Act (42 U.S.C. 1382(e)(1)(G)) is amended by striking ''subparagraph (H)'' and inserting ''subparagraph (H) or (K)''.

SEC. 214. ACCESS TO INFORMATION HELD BY FINANCIAL INSTITUTIONS.

Section 1631(e)(1)(B) of the Social Security Act (42 U.S.C. 1383(e)(1)(B)) is amended—

(1) by striking ''(B) The'' and inserting ''(B)(i) The''; and

(2) by adding at the end the following new clause:

''(ii)(I) The Commissioner of Social Security may require each applicant for, or recipient of, benefits under this title to provide authorization by the applicant or recipient (or by any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient for such benefits) for the Commissioner to obtain (subject to the cost reimbursement requirements of section 1115(a) of the Right to Financial Privacy Act) from any financial institution (within the meaning of section 1101(1) of such Act) any financial record (within the meaning of section 1101(2) of such Act) held by the institution with respect to the applicant or recipient (or any such other person) whenever the Commissioner determines the record is needed in connection with a determination with respect to such eligibility or the amount of such benefits.

''(II) Notwithstanding section 1104(a)(1) of the Right to Financial Privacy Act, an authorization provided by an applicant or recipient (or any other person whose income or resources are material to the determination of the eligibility of the applicant or recipient) pursuant to subclause (I) of this clause shall remain effective until the earliest of—

''(aa) the rendering of a final adverse decision on the applicant's application for eligibility for benefits under this title;

''(bb) the cessation of the recipient's eligibility for benefits under this title; or

''(cc) the express revocation by the applicant or recipient (or such other person referred to in subclause (I)) of the authorization, in a written notification to the Commissioner.

''(III)(aa) An authorization obtained by the Commissioner of Social Security pursuant to this clause shall be considered to meet the requirements of the Right to Financial Privacy Act for purposes of section 1103(a) of such Act, and need not be furnished to the financial institution, notwithstanding section 1104(a) of such Act.

''(bb) The certification requirements of section 1103(b) of the Right to Financial Privacy Act shall not apply to requests by the Commissioner of Social Security pursuant to an authorization provided under this clause.

''(cc) A request by the Commissioner pursuant to an authorization provided under this clause is deemed to meet the requirements of section 1104(a)(3) of the Right to Financial Privacy Act and the flush language of section 1102 of such Act.

''(IV) The Commissioner shall inform any person who provides authorization pursuant to this clause of the duration and scope of the authorization.

''(V) If an applicant for, or recipient of, benefits under this title (or any such other person referred to in subclause (I)) refuses to provide, or revokes, any authorization made by the applicant or recipient for the Commissioner of Social Security to obtain from any financial institution any financial record, the Commissioner may, on that basis, determine that the applicant or recipient is ineligible for benefits under this title.''.

Subtitle B—Benefits for Certain Veterans of World War II

SEC. 251. ESTABLISHMENT OF PROGRAM OF SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS.

(a) IN GENERAL.—The Social Security Act is amended by inserting after title VII the following:

''TITLE VIII—SPECIAL BENEFITS FOR CERTAIN WORLD WAR II VETERANS

''TABLE OF CONTENTS

''Sec. 801. Basic entitlement to benefits.
''Sec. 802. Qualified individuals.
''Sec. 803. Residence outside the United States.
''Sec. 804. Disqualifications.
''Sec. 805. Benefit amount.
''Sec. 806. Applications and furnishing of information.
''Sec. 807. Representative payees.
''Sec. 808. Overpayments and underpayments.
''Sec. 809. Hearings and review.
''Sec. 810. Other administrative provisions.
''Sec. 811. Penalties for fraud.
''Sec. 812. Definitions.
''Sec. 813. Appropriations.

''SEC. 801. BASIC ENTITLEMENT TO BENEFITS.

''Every individual who is a qualified individual under section 802 shall, in accordance with and subject to the provisions of this title, be entitled to a monthly benefit paid by the Commissioner of Social Security for each month after September 2000 (or such earlier month, if the Commissioner determines is administratively feasible) the individual resides outside the United States.

''SEC. 802. QUALIFIED INDIVIDUALS.

''Except as otherwise provided in this title, an individual—

''(1) who has attained the age of 65 on or before the date of the enactment of this title;

''(2) who is a World War II veteran;

''(3) who is eligible for a supplemental security income benefit under title XVI for—

''(A) the month in which this title is enacted; and

''(B) the month in which the individual files an application for benefits under this title;

''(4) whose total benefit income is less than 75 percent of the Federal benefit rate under title XVI;

''(5) who has filed an application for benefits under this title; and

''(6) who is in compliance with all requirements imposed by the Commissioner of Social Security under this title,

shall be a qualified individual for purposes of this title.

''SEC. 803. RESIDENCE OUTSIDE THE UNITED STATES.

For purposes of section 801, with respect to any month, an individual shall be regarded as residing outside the United States if, on the first day of the month, the individual so resides outside the United States.

''SEC. 804. DISQUALIFICATIONS.

''Notwithstanding section 802, an individual may not be a qualified individual for any month—

''(1) that begins after the month in which the Commissioner of Social Security is notified by the Attorney General that the individual has been removed from the United States pursuant to section 237(a) of the Immigration and Nationality Act and before the month in which the Commissioner of Social Security is notified by the Attorney General that the individual is lawfully admitted to the United States for permanent residence;

''(2) during any part of which the individual is outside the United States due to flight to avoid prosecution, or custody or confinement after conviction, under the laws of the United States or the jurisdiction within the United States from which the person has fled, for a crime, or an attempt to commit a crime, that is a felony under the laws of the place from which the individual has fled, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

''(3) during any part of which the individual violates a condition of probation or parole imposed under Federal or State law; or

''(4) during any part of which the individual is confined in a jail, prison, or other penal institution or correctional facility pursuant to a conviction of an offense.

''SEC. 805. BENEFIT AMOUNT.

''The benefit under this title payable to a qualified individual for any month shall be in an amount equal to 75 percent of the Federal benefit rate under title XVI for the month, reduced by the amount of the qualified individual's benefit income for the month.

''SEC. 806. APPLICATIONS AND FURNISHING OF INFORMATION.

''(a) IN GENERAL.—The Commissioner of Social Security shall, subject to subsection (b), prescribe such requirements with respect to the filing of applications, the furnishing of information and other material, and the reporting of events and changes in circumstances, as may be necessary for the effective and efficient administration of this title.

''(b) VERIFICATION REQUIREMENT.—The requirements prescribed by the Commissioner of Social Security under subsection (a) shall preclude any determination of entitlement to benefits under this title solely on the basis of declarations by the individual concerning qualifications or other material facts, and shall provide for verification of material information from independent or collateral sources, and the procurement of additional information as necessary in order to ensure that the benefits are provided only to qualified individuals (or their representative payees) in correct amounts.

''SEC. 807. REPRESENTATIVE PAYEES.

''(a) IN GENERAL.—If the Commissioner of Social Security determines that the interest of any qualified individual under this title would be served thereby, payment of the qualified individual's benefit under this title may be made, regardless of the legal competency or incompetency of the qualified individual, either directly to the qualified individual, or for his or her benefit, to another

person (the meaning of which term, for purposes of this section, includes an organization) with respect to whom the requirements of subsection (b) have been met (in this section referred to as the qualified individual's 'representative payee'). If the Commissioner of Social Security determines that a representative payee has misused any benefit paid to the representative payee pursuant to this section, section 205(j), or section 1631(a)(2), the Commissioner of Social Security shall promptly revoke the person's designation as the qualified individual's representative payee under this subsection, and shall make payment to an alternative representative payee or, if the interest of the qualified individual under this title would be served thereby, to the qualified individual.

''(b) EXAMINATION OF FITNESS OF PROSPECTIVE REPRESENTATIVE PAYEE.—

''(1) Any determination under subsection (a) to pay the benefits of a qualified individual to a representative payee shall be made on the basis of—

''(A) an investigation by the Commissioner of Social Security of the person to serve as representative payee, which shall be conducted in advance of the determination and shall, to the extent practicable, include a face-to-face interview with the person (or, in the case of an organization, a representative of the organization); and

''(B) adequate evidence that the arrangement is in the interest of the qualified individual.

''(2) As part of the investigation referred to in paragraph (1), the Commissioner of Social Security shall—

''(A) require the person being investigated to submit documented proof of the identity of the person;

''(B) in the case of a person who has a social security account number issued for purposes of the program under title II or an employer identification number issued for purposes of the Internal Revenue Code of 1986, verify the number;

''(C) determine whether the person has been convicted of a violation of section 208, 811, or 1632; and

''(D) determine whether payment of benefits to the person in the capacity as representative payee has been revoked or terminated pursuant to this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively.

''(c) REQUIREMENT FOR CENTRALIZED FILE.—The Commissioner of Social Security shall establish and maintain a centralized file, which shall be updated periodically and which shall be in a form that renders it readily retrievable by each servicing office of the Social Security Administration. The file shall consist of—

''(1) a list of the names and social security account numbers or employer identification numbers (if issued) of all persons with respect to whom, in the capacity of representative payee, the payment of benefits has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(iii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively; and

''(2) a list of the names and social security account numbers or employer identification numbers (if issued) of all persons who have been convicted of a violation of section 208, 811, or 1632.

''(d) PERSONS INELIGIBLE TO SERVE AS REPRESENTATIVE PAYEES.—

''(1) IN GENERAL.—The benefits of a qualified individual may not be paid to any other person pursuant to this section if—

''(A) the person has been convicted of a violation of section 208, 811, or 1632;

''(B) except as provided in paragraph (2), payment of benefits to the person in the capacity of representative payee has been revoked or terminated under this section, section 205(j), or section 1631(a)(2)(A)(ii) by reason of misuse of funds paid as benefits under this title, title II, or title XVI, respectively; or

''(C) except as provided in paragraph (2)(B), the person is a creditor of the qualified individual and provides the qualified individual with goods or services for consideration.

''(2) EXEMPTIONS.—

''(A) The Commissioner of Social Security may prescribe circumstances under which the Commissioner of Social Security may grant an exemption from paragraph (1) to any person on a case-by-case basis if the exemption is in the best interest of the qualified individual whose benefits would be paid to the person pursuant to this section.

''(B) Paragraph (1)(C) shall not apply with respect to any person who is a creditor referred to in such paragraph if the creditor is—

''(i) a relative of the qualified individual and the relative resides in the same household as the qualified individual;

''(ii) a legal guardian or legal representative of the individual;

''(iii) a facility that is licensed or certified as a care facility under the law of the political jurisdiction in which the qualified individual resides;

''(iv) a person who is an administrator, owner, or employee of a facility referred to in clause (iii), if the qualified individual resides in the facility, and the payment to the facility or the person is made only after the Commissioner of Social Security has made a good faith effort to locate an alternative representative payee to whom payment would serve the best interests of the qualified individual; or

''(v) a person who is determined by the Commissioner of Social Security, on the basis of written findings and pursuant to procedures prescribed by the Commissioner of Social Security, to be acceptable to serve as a representative payee.

''(C) The procedures referred to in subparagraph (B)(v) shall require the person who will serve as representative payee to establish, to the satisfaction of the Commissioner of Social Security, that—

''(i) the person poses no risk to the qualified individual;

''(ii) the financial relationship of the person to the qualified individual poses no substantial conflict of interest; and

''(iii) no other more suitable representative payee can be found.

''(e) DEFERRAL OF PAYMENT PENDING APPOINTMENT OF REPRESENTATIVE PAYEE.—

''(1) IN GENERAL.—Subject to paragraph (2), if the Commissioner of Social Security makes a determination described in the first sentence of subsection (a) with respect to any qualified individual's benefit and determines that direct payment of the benefit to the qualified individual would cause substantial harm to the qualified individual, the Commissioner of Social Security may defer (in the case of initial entitlement) or suspend (in the case of existing entitlement) direct payment of the benefit to the qualified individual, until such time as the selection of a representative payee is made pursuant to this section.

''(2) TIME LIMITATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), any deferral or suspension of direct payment of a benefit pursuant to paragraph (1) shall be for a period of not more than 1 month.

''(B) EXCEPTION IN THE CASE OF INCOMPETENCY.—Subparagraph (A) shall not apply in any case in which the qualified individual is, as of the date of the Commissioner of Social Security's determination, legally incompetent under the laws of the jurisdiction in which the individual resides.

''(3) PAYMENT OF RETROACTIVE BENEFITS.—Payment of any benefits which are deferred or suspended pending the selection of a representative payee shall be made to the qualified individual or the representative payee as a single sum or over such period of time as the Commissioner of Social Security determines is in the best interest of the qualified individual.

''(f) HEARING.—Any qualified individual who is dissatisfied with a determination by the Commissioner of Social Security to make payment of the qualified individual's benefit to a representative payee under subsection (a) of this section or with the designation of a particular person to serve as representative payee shall be entitled to a hearing by the Commissioner of Social Security to the same extent as is provided in section 809(a), and to judicial review of the Commissioner of Social Security's final decision as is provided in section 809(b).

''(g) NOTICE REQUIREMENTS.—

''(1) IN GENERAL.—In advance of the payment of a qualified individual's benefit to a representative payee under subsection (a), the Commissioner of Social Security shall provide written notice of the Commissioner's initial determination to so make the payment. The notice shall be provided to the qualified individual, except that, if the qualified individual is legally incompetent, then the notice shall be provided solely to the legal guardian or legal representative of the qualified individual.

''(2) SPECIFIC REQUIREMENTS.—Any notice required by paragraph (1) shall be clearly written in language that is easily understandable to the reader, shall identify the person to be designated as the qualified individual's representative payee, and shall explain to the reader the right under subsection (f) of the qualified individual or of the qualified individual's legal guardian or legal representative—

''(A) to appeal a determination that a representative payee is necessary for the qualified individual;

''(B) to appeal the designation of a particular person to serve as the representative payee of qualified individual; and

''(C) to review the evidence upon which the designation is based and to submit additional evidence.

''(h) ACCOUNTABILITY MONITORING.—

''(1) In any case where payment under this title is made to a person other than the qualified individual entitled to the payment, the Commissioner of Social Security shall establish a system of accountability monitoring under which the person shall report not less often than annually with respect to the use of the payments. The Commissioner of Social Security shall establish and implement statistically valid procedures for reviewing the reports in order to identify instances in which persons are not properly using the payments.

''(2) SPECIAL REPORTS.—Notwithstanding paragraph (1), the Commissioner of Social Security may require a report at any time

from any person receiving payments on behalf of a qualified individual, if the Commissioner of Social Security has reason to believe that the person receiving the payments is misusing the payments.

''(3) CENTRALIZED FILE.—The Commissioner of Social Security shall maintain a centralized file, which shall be updated periodically and which shall be in a form that is readily retrievable, of—

''(A) the name, address, and (if issued) the social security account number or employer identification number of each representative payee who is receiving benefit payments pursuant to this section, section 205(j), or section 1631(a)(2); and

''(B) the name, address, and social security account number of each individual for whom each representative payee is reported to be providing services as representative payee pursuant to this section, section 205(j), or section 1631(a)(2).

''(4) The Commissioner of Social Security shall maintain a list, which shall be updated periodically, of public agencies and community-based nonprofit social service agencies which are qualified to serve as representative payees pursuant to this section and which are located in the jurisdiction in which any qualified individual resides.

''(i) RESTITUTION.—In any case where the negligent failure of the Commissioner of Social Security to investigate or monitor a representative payee results in misuse of benefits by the representative payee, the Commissioner of Social Security shall make payment to the qualified individual or the individual's alternative representative payee of an amount equal to the misused benefits. The Commissioner of Social Security shall make a good faith effort to obtain restitution from the terminated representative payee.

''SEC. 808. OVERPAYMENTS AND UNDERPAYMENTS.

''(a) IN GENERAL.—Whenever the Commissioner of Social Security finds that more or less than the correct amount of payment has been made to any person under this title, proper adjustment or recovery shall be made, as follows:

''(1) With respect to payment to a person of more than the correct amount, the Commissioner of Social Security shall decrease any payment under this title to which the overpaid person (if a qualified individual) is entitled, or shall require the overpaid person or his or her estate to refund the amount in excess of the correct amount, or, if recovery is not obtained under these two methods, shall seek or pursue recovery by means of reduction in tax refunds based on notice to the Secretary of the Treasury, as authorized under section 3720A of title 31, United States Code.

''(2) With respect to payment of less than the correct amount to a qualified individual who, at the time the Commissioner of Social Security is prepared to take action with respect to the underpayment—

''(A) is living, the Commissioner of Social Security shall make payment to the qualified individual (or the qualified individual's representative payee designated under section 807) of the balance of the amount due the underpaid qualified individual; or

''(B) is deceased, the balance of the amount due shall revert to the general fund of the Treasury.

''(b) WAIVER OF RECOVERY OF OVERPAYMENT.—In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any person who is without fault if the Commissioner of Social Security determines that the adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.

''(c) LIMITED IMMUNITY FOR DISBURSING OFFICERS.—A disbursing officer may not be held liable for any amount paid by the officer if the adjustment or recovery of the amount is waived under subsection (b), or adjustment under subsection (a) is not completed before the death of the qualified individual against whose benefits deductions are authorized.

''(d) AUTHORIZED COLLECTION PRACTICES.—

''(1) IN GENERAL.—With respect to any delinquent amount, the Commissioner of Social Security may use the collection practices described in sections 3711(e), 3716, and 3718 of title 31, United States Code, as in effect on October 1, 1994.

''(2) DEFINITION.—For purposes of paragraph (1), the term 'delinquent amount' means an amount—

''(A) in excess of the correct amount of the payment under this title; and

''(B) determined by the Commissioner of Social Security to be otherwise unrecoverable under this section from a person who is not a qualified individual under this title.

''SEC. 809. HEARINGS AND REVIEW.

''(a) HEARINGS.—

''(1) IN GENERAL.—The Commissioner of Social Security shall make findings of fact and decisions as to the rights of any individual applying for payment under this title. The Commissioner of Social Security shall provide reasonable notice and opportunity for a hearing to any individual who is or claims to be a qualified individual and is in disagreement with any determination under this title with respect to entitlement to, or the amount of, benefits under this title, if the individual requests a hearing on the matter in disagreement within 60 days after notice of the determination is received, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing affirm, modify, or reverse the Commissioner of Social Security's findings of fact and the decision. The Commissioner of Social Security may, on the Commissioner of Social Security's own motion, hold such hearings and to conduct such investigations and other proceedings as the Commissioner of Social Security deems necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, the Commissioner may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Commissioner of Social Security even though inadmissible under the rules of evidence applicable to court procedure. The Commissioner of Social Security shall specifically take into account any physical, mental, educational, or linguistic limitation of the individual (including any lack of facility with the English language) in determining, with respect to the entitlement of the individual for benefits under this title, whether the individual acted in good faith or was at fault, and in determining fraud, deception, or intent.

''(2) EFFECT OF FAILURE TO TIMELY REQUEST REVIEW.—A failure to timely request review of an initial adverse determination with respect to an application for any payment under this title or an adverse determination on reconsideration of such an initial determination shall not serve as a basis for denial of a subsequent application for any payment under this title if the applicant demonstrates that the applicant failed to so request such a review acting in good faith reliance upon incorrect, incomplete, or misleading information, relating to the consequences of reapplying for payments in lieu of seeking review of an adverse determination, provided by any officer or employee of the Social Security Administration.

''(3) NOTICE REQUIREMENTS.—In any notice of an adverse determination with respect to which a review may be requested under paragraph (1), the Commissioner of Social Security shall describe in clear and specific language the effect on possible entitlement to benefits under this title of choosing to reapply in lieu of requesting review of the determination.

''(b) JUDICIAL REVIEW.—The final determination of the Commissioner of Social Security after a hearing under subsection (a)(1) shall be subject to judicial review as provided in section 205(g) to the same extent as the Commissioner of Social Security's final determinations under section 205.

''SEC. 810. OTHER ADMINISTRATIVE PROVISIONS.

''(a) REGULATIONS AND ADMINISTRATIVE ARRANGEMENTS.—The Commissioner of Social Security may prescribe such regulations, and make such administrative and other arrangements, as may be necessary or appropriate to carry out this title.

''(b) PAYMENT OF BENEFITS.—Benefits under this title shall be paid at such time or times and in such installments as the Commissioner of Social Security determines are in the interests of economy and efficiency.

''(c) ENTITLEMENT REDETERMINATIONS.—An individual's entitlement to benefits under this title, and the amount of the benefits, may be redetermined at such time or times as the Commissioner of Social Security determines to be appropriate.

''(d) SUSPENSION OF BENEFITS.—Regulations prescribed by the Commissioner of Social Security under subsection (a) may provide for the temporary suspension of entitlement to benefits under this title as the Commissioner determines is appropriate.

''SEC. 811. PENALTIES FOR FRAUD.

''(a) IN GENERAL.—Whoever—

''(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in an application for benefits under this title;

''(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining any right to the benefits;

''(3) having knowledge of the occurrence of any event affecting—

''(A) his or her initial or continued right to the benefits; or

''(B) the initial or continued right to the benefits of any other individual in whose behalf he or she has applied for or is receiving the benefit,

conceals or fails to disclose the event with an intent fraudulently to secure the benefit either in a greater amount or quantity than is due or when no such benefit is authorized; or

''(4) having made application to receive any such benefit for the use and benefit of another and having received it, knowingly and willfully converts the benefit or any part thereof to a use other than for the use and benefit of the other individual,

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

''(b) RESTITUTION BY REPRESENTATIVE PAYEE.—If a person or organization violates subsection (a) in the person's or organization's role as, or in applying to become, a representative payee under section 807 on behalf of a qualified individual, and the violation includes a willful misuse of funds by the

person or entity, the court may also require that full or partial restitution of funds be made to the qualified individual.

"SEC. 812. DEFINITIONS.

''In this title:

''(1) WORLD WAR II VETERAN.—The term 'World War II veteran' means a person who served during World War II—

''(A) in the active military, naval, or air service of the United States during World War II, and who was discharged or released therefrom under conditions other than dishonorable after service of 90 days or more; or

''(B) in the organized military forces of the Government of the Commonwealth of the Philippines, while the forces were in the service of the Armed Forces of the United States pursuant to the military order of the President dated July 26, 1941, including among the military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, in any case in which the service was rendered before December 31, 1946.

''(2) WORLD WAR II.—The term 'World War II' means the period beginning on September 16, 1940, and ending on July 24, 1947.

''(3) SUPPLEMENTAL SECURITY INCOME BENEFIT UNDER TITLE XVI.—The term 'supplemental security income benefit under title XVI', except as otherwise provided, includes State supplementary payments which are paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66.

''(4) FEDERAL BENEFIT RATE UNDER TITLE XVI.—The term 'Federal benefit rate under title XVI' means, with respect to any month, the amount of the supplemental security income cash benefit (not including any State supplementary payment which is paid by the Commissioner of Social Security pursuant to an agreement under section 1616(a) of this Act or section 212(b) of Public Law 93–66) payable under title XVI for the month to an eligible individual with no income.

''(5) UNITED STATES.—The term 'United States' means, notwithstanding section 1101(a)(1), only the 50 States, the District of Columbia, and the Commonwealth of the Northern Mariana Islands.

''(6) BENEFIT INCOME.—The term 'benefit income' means any recurring payment received by a qualified individual as an annuity, pension, retirement, or disability benefit (including any veterans' compensation or pension, workmen's compensation payment, old-age, survivors, or disability insurance benefit, railroad retirement annuity or pension, and unemployment insurance benefit), but only if a similar payment was received by the individual from the same (or a related) source during the 12-month period preceding the month in which the individual files an application for benefits under this title.

"SEC. 813. APPROPRIATIONS.

''There are hereby appropriated for fiscal year 2001 and subsequent fiscal years such sums as may be necessary to carry out this title.''.

(b) CONFORMING AMENDMENTS.—

(1) SOCIAL SECURITY TRUST FUNDS LAE ACCOUNT.—Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—

(A) in the fourth sentence of paragraph (1)(A), by inserting after ''this title,'' the following: ''title VIII,'';

(B) in paragraph (1)(B)(i)(I), by inserting after ''this title,'' the following: ''title VIII,''; and

(C) in paragraph (1)(C)(i), by inserting after ''this title,'' the following: ''title VIII,''.

(2) REPRESENTATIVE PAYEE PROVISIONS OF TITLE II.—Section 205(j) of such Act (42 U.S.C. 405(j)) is amended—

(A) in paragraph (1)(A), by inserting ''807 or'' before ''1631(a)(2)'';

(B) in paragraph (2)(B)(i)(I), by inserting '', title VIII,'' before ''or title XVI'';

(C) in paragraph (2)(B)(i)(III), by inserting '', 811,'' before ''or 1632'';

(D) in paragraph (2)(B)(i)(IV)—

(i) by inserting '', the designation of such person as a representative payee has been revoked pursuant to section 807(a),'' before ''or payment of benefits''; and

(ii) by inserting '', title VIII,'' before ''or title XVI'';

(E) in paragraph (2)(B)(ii)(I)—

(i) by inserting ''whose designation as a representative payee has been revoked pursuant to section 807(a),'' before ''or with respect to whom''; and

(ii) by inserting '', title VIII,'' before ''or title XVI'';

(F) in paragraph (2)(B)(i)(II), by inserting '', 811,'' before ''or 1632'';

(G) in paragraph (2)(C)(i)(II) by inserting '', the designation of such person as a representative payee has been revoked pursuant to section 807(a),'' before ''or payment of benefits'';

(H) in each of clauses (i) and (ii) of paragraph (3)(E), by inserting '', section 807,'' before ''or section 1631(a)(2)'';

(I) in paragraph (3)(F), by inserting ''807 or'' before ''1631(a)(2)''; and

(J) in paragraph (4)(B)(i), by inserting ''807 or'' before ''1631(a)(2)''.

(3) WITHHOLDING FOR CHILD SUPPORT AND ALIMONY OBLIGATIONS.—Section 459(h)(1)(A) of such Act (42 U.S.C. 659(h)(1)(A)) is amended—

(A) at the end of clause (iii), by striking ''and'';

(B) at the end of clause (iv), by striking ''but'' and inserting ''and''; and

(C) by adding at the end a new clause as follows:

''(v) special benefits for certain World War II veterans payable under title VIII; but''.

(4) SOCIAL SECURITY ADVISORY BOARD.—Section 703(b) of such Act (42 U.S.C. 903(b)) is amended by striking ''title II'' and inserting ''title II, the program of special benefits for certain World War II veterans under title VIII,''.

(5) DELIVERY OF CHECKS.—Section 708 of such Act (42 U.S.C. 908) is amended—

(A) in subsection (a), by striking ''title II'' and inserting ''title II, title VIII,''; and

(B) in subsection (b), by striking ''title II'' and inserting ''title II, title VIII,''.

(6) CIVIL MONETARY PENALTIES.—Section 1129 of such Act (42 U.S.C. 1320a–8) is amended—

(A) in the title, by striking ''II'' and inserting ''II, VIII'';

(B) in subsection (a)(1)—

(i) by striking ''or'' at the end of subparagraph (A);

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following:

''(B) benefits or payments under title VIII, or'';

(C) in subsection (a)(2), by inserting ''or title VIII,'' after ''title II'';

(D) in subsection (e)(1)(C)—

(i) by striking ''or'' at the end of clause (i);

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following:

''(ii) by decrease of any payment under title VIII to which the person is entitled, or'';

(E) in subsection (e)(2)(B), by striking ''title XVI'' and inserting ''title VIII or XVI''; and

(F) in subsection (l), by striking ''title XVI'' and inserting ''title VIII or XVI''.

(7) RECOVERY OF SSI OVERPAYMENTS.—Section 1147 of such Act (42 U.S.C. 1320b–17) is amended—

(A) in subsection (a)(1)—

(i) by inserting ''or VIII'' after ''title II'' the first place it appears; and

(ii) by striking ''title II'' the second place it appears and inserting ''such title''; and

(B) in the title, by striking ''SOCIAL SECURITY'' and inserting ''OTHER''.

(8) REPRESENTATIVE PAYEE PROVISIONS OF TITLE XVI.—Section 1631(a)(2) of such Act (42 U.S.C. 1383(a)(2)) is amended—

(A) in subparagraph (A)(iii), by inserting ''or 807'' after ''205(j)(1)'';

(B) in subparagraph (B)(ii)(I), by inserting '', title VIII,'' before ''or this title'';

(C) in subparagraph (B)(ii)(III), by inserting '', 811,'' before ''or 1632'';

(D) in subparagraph (B)(ii)(IV)—

(i) by inserting ''whether the designation of such person as a representative payee has been revoked pursuant to section 807(a),'' before ''and whether certification''; and

(ii) by inserting '', title VIII,'' before ''or this title'';

(E) in subparagraph (B)(iii)(II), by inserting ''the designation of such person as a representative payee has been revoked pursuant to section 807(a),'' before ''or certification''; and

(F) in subparagraph (D)(ii)(II)(aa), by inserting ''or 807'' after ''205(j)(4)''.

(9) ADMINISTRATIVE OFFSET.—Section 3716(c)(3)(C) of title 31, United States Code, is amended—

(A) by striking ''sections 205(b)(1)'' and inserting ''sections 205(b)(1), 809(a)(1),''; and

(B) by striking ''either title II'' and inserting ''title II, VIII,''.

TITLE III—CHILD SUPPORT

SEC. 301. ELIMINATION OF ENHANCED MATCHING FOR LABORATORY COSTS FOR PATERNITY ESTABLISHMENT.

(a) IN GENERAL.—Section 455(a)(1) of the Social Security Act (42 U.S.C. 655(a)(1)) is amended by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1999.

SEC. 302. ELIMINATION OF HOLD HARMLESS PROVISION FOR STATE SHARE OF DISTRIBUTION OF COLLECTED CHILD SUPPORT.

(a) IN GENERAL.—Section 457 of the Social Security Act (42 U.S.C. 657) is amended—

(1) in subsection (a), by striking ''subsections (e) and (f)'' and inserting ''subsections (d) and (e)'';

(2) by striking subsection (d);

(3) in subsection (e), by striking the 2nd sentence; and

(4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1999.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. TECHNICAL CORRECTIONS RELATING TO AMENDMENTS MADE BY THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

(a) Section 402(a)(1)(B)(iv) of the Social Security Act (42 U.S.C. 602(a)(1)(B)(iv)) is amended by striking ''Act'' and inserting ''section''.

(b) Section 409(a)(7)(B)(i)(II) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(II)) is amended by striking ''part'' and inserting ''section''.

(c) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking ''Act'' and inserting ''section''.

(d) Section 413(i)(1) of the Social Security Act (42 U.S.C. 613(i)(1)) is amended by striking ''part'' and inserting ''section''.

(e) Section 416 of the Social Security Act (42 U.S.C. 616) is amended by striking ''Opportunity Act'' and inserting ''Opportunity Reconciliation Act'' each place such term appears.

(f) Section 431(a)(6) of the Social Security Act (42 U.S.C. 629a(a)(6))) is amended—

(1) by inserting '', as in effect before August 22, 1986'' after ''482(i)(5)''; and

(2) by inserting '', as so in effect'' after ''482(i)(7)(A)''.

(g) Sections 452(a)(7) and 466(c)(2)(A)(i) of the Social Security Act (42 U.S.C. 652(a)(7) and 666(c)(2)(A)(i)) are each amended by striking ''Social Security'' and inserting ''social security''.

(h) Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(1) by striking '', or'' at the end of each of paragraphs (6)(E)(i) and (19)(B)(i) and inserting ''; or'';

(2) in paragraph (9), by striking the comma at the end of each of subparagraphs (A), (B), (C) and inserting a semicolon; and

(3) by striking '', and'' at the end of each of paragraphs (19)(A) and (24)(A) and inserting ''; and''.

(i) Section 454(24)(B) of the Social Security Act (42 U.S.C. 654(24)(B)) is amended by striking ''Opportunity Act'' and inserting ''Opportunity Reconciliation Act''.

(j) Section 344(b)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (110 Stat. 2236) is amended to read as follows:

''(A) in paragraph (1), by striking subparagraph (B) and inserting the following new subparagraph:

'(B) equal to the percent specified in paragraph (3) of the sums expended during such quarter that are attributable to the planning, design, development, installation or enhancement of an automatic data processing and information retrieval system (including in such sums the full cost of the hardware components of such system); and'; and''.

(k) Section 457(a)(2)(B)(i)(I) of the Social Security Act (42 U.S.C. 657(a)(2)(B)(i)(I)) is amended by striking ''Act Reconciliation'' and inserting ''Reconciliation Act''.

(l) Section 457 of the Social Security Act (42 U.S.C. 657) is amended by striking ''Opportunity Act'' each place it appears and inserting ''Opportunity Reconciliation Act''.

(m) Section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7)) is amended by striking ''1681a(f))'' and inserting ''1681a(f)))''.

(n) Section 466(b)(6)(A) of the Social Security Act (42 U.S.C. 666(b)(6)(A)) is amended by striking ''state'' and inserting ''State''.

(o) Section 471(a)(8) of the Social Security Act (42 U.S.C. 671(a)(8)) is amended by striking ''(including activities under part F)''.

(p) Section 1137(a)(3) of the Social Security Act (42 U.S.C. 1320b-7(a)(3)) is amended by striking ''453A(a)(2)(B)(iii))'' and inserting ''453A(a)(2)(B)(ii)))''.

(q) The amendments made by this section shall take effect as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

FOSTER CARE INDEPENDENCE ACT OF 1999—FACT SHEET

Federal Independent Living Programs (ILP) are designed to assist some of our Nation's most vulnerable children as they make the transition from foster children to independent adults. Under current law, teens are ''out of the system'' and completely on their own immediately when they turn 18. Many teens need help to make a successful transition to self-sufficiency, especially teens who have spent years in foster care. Programs must be designed to be consistent with the Adoption and Safe Families Act of 1997, namely that safety and health of the child are paramount. Studies of adolescents who leave foster care have found that these children have a significantly higher than normal rate of school drop out, out-of-wedlock childbearing, homelessness, health and mental health problems, and poverty.

The Foster Care Independence Act of 1999 is designed to help teens aging out of foster care make a more successful transition to adulthood. It addresses safety by allowing for ILP funds to be used to ensure that the basic needs of housing and food can be provided to these youth. It addresses health by ensuring that teens who are aging out of or adopted out of foster care to continue to receive crucial health, and mental health, care benefits to the age of 21. Key provisions of the Act include:

Strong Medicaid coverage: Requires states that receiving new ILP monies continue to provide health care, including coverage for mental health needs to foster, or adopted (whose adoptive placements began on or after their 16th birthdays), children up to their 21st birthday.

Funding for Independent Living services: Doubles the funding—up to $140 million—for Independent Living services to enable states to cover teens from 18 to 21, with support services and housing assistance, with language to promote continuing education and/or job training. The bill also insures that ILP are supervised and includes a broad array of services based on young people's developmental and self-sufficiency needs.

Avoids disincentives for adoption of teens: Consistent with the priorities established in the Adoption and Safe Families Act, this bill promotes permanence by allowing teens adopted after 16 to retain eligibility for Independent Living programs, including vital access to health coverage from ages 18–21. This clarifies that Independent Living programs are not a substitute for permanency for foster care teens, rather support services to ease the transition for teens who have faced challenges. This provision allows Independent Living Program services to be concurrent with continued reasonable efforts to locate and achieve placement in adoptive families or other planned permanent settings as required under ASFA.

Quality data, evaluation and outcome measures: Insures that quality data is collected and evaluated, to enhance programs are effective, and seeks to coordinate with the data collection efforts required under the Adoption and Safe Families Act.

Updated funding formula: Funding formula provides that every state can quality for new Independent Living incentives to serve teens aging out of foster care from 18 to 21.

Mr. ROCKEFELLER. Mr. President, I rise today to join Senator CHAFEE and a bipartisan group in the introduction of the Foster Care Independence Act of 1999. I would like to thank Senator CHAFEE for his leadership on behalf of vulnerable young people, including our bipartisan work on this legislation. I also wish to thank the other co-sponsors of this legislation—Senators REED, BOND, LANDRIEU, MOYNIHAN, BREAUX, KERREY, MIKULSKI, and JEFFORDS. Work on this legislation is based on the foundation created by the bipartisan 1997 Adoption and Safe Families Act.

Our First Lady, Mrs. Clinton, has also been a special leader on behalf of vulnerable children. In 1997, she helped focus the national spotlight on the need to promote adoption. This year, she has helped to focus much needed attention on the challenges facing teenagers who age out of foster care, and has challenged us to improve the system for such teens by expanding the Independent Living program.

In 1997, a unique bipartisan Senate coalition formed to promote adoption and find ways to help our most vulnerable children, those subjected to abuse and neglected. After months of hard work, we forged consensus on the Adoption and Safe Families Act of 1997 (ASFA). This law, for the first time ever, establishes that a child's health and safety are paramount when any decisions are made regarding children in the abuse and neglect system. The law also stressed the importance of permanency to a child, and it imposed new time frames as goals for permanency. While this law was the most sweeping and comprehensive piece of child welfare legislation passed in over a decade, more work and resources will be crucial to truly achieve the goals of safety, stability and permanence for all abused and neglected children.

We have been pleased to learn that one of the desired outcomes of the Adoption Act, moving children more swiftly from foster care into permanent homes, has begun to become a reality. Adoptions throughout the country are up dramatically, far exceeding expectations. Yet, at the same time, we find that there continue to be approximately 20,000 young people each year who turn 18 and ''age out'' of the foster care system with no home, no family, no medical coverage and no system of support in place. In my own state of West Virginia, over 1000 of our foster children are over the age of 16. 185 of these children, in the last year, received services through the state's Independent Living program.

How do such teens in West Virginia and throughout the country fare? A Wisconsin study shows us that 18 months after leaving foster care, over one-third had not graduated from high school, half were unemployed, nearly half had no access to or coverage for health care, and many were homeless

or victims or perpetrators of crimes. These are not just numbers, each of these statistics represents a real person, like Wendy or James:

Wendy had been in foster care since the age of 6. She had been moved again and again, and at the age of 14 was placed in a Wilderness Program for teens with challenging behaviors. At 16 she was moved to a locked residential facility. Her 18th birthday, in December, was a cold day in more ways than one. Early in the morning, a knock came on her door and she was told to get dressed and gather her things, as she was moving. This was not unusual for her, so she did as she was told. She went, with her meager possessions, to the front desk and asked, ''Where am I going?'' The staff person jingled the large key ring, opened the front door, looked out into the snowy day and said, ''Anywhere you want—you are 18 and you are on your own.'' One year later, Wendy was addicted to drugs, homeless and pregnant. She had no access to health care until she became pregnant—Her baby was now her ticket to care.

James had been in foster care since the age of 10. He had been moved ''only'' five or six times and when he turned 18, all services stopped. The foster family he had been living with could not afford to care for him any longer, but they agreed to allow him to sleep in their garage. He had to drop out of school in order to work full time at a pizza restaurant and attempt to support himself. When he turned 19, he had an opportunity to be adopted with some of his younger siblings. He immediately said, ''Yes!'' and when asked by the judge why he would want to be adopted at his age, he replied, ''I will always need a family, and someday, I hope my children will be able to have grandparents.'' James was able to reenroll in school, graduate with a trade and is now a self-supporting married man. Oh, and his 3 children do have grandparents.

This legislation will provide resources and incentives to states so that more of our young people will have stories that end like James, and fewer that end like Wendy's.

One of the most significant provisions of ASFA was the assurance of ongoing health care coverage for all children with special needs who move from foster care to adoption. The Foster Care Independence Act is an essential next step in this ongoing process. This important legislation will ensure that health care coverage for our foster care youths does not end when they turn 18. All states who wish to receive the new Independent Living Program money must provide assurance that they will provide health care coverage to these young people through to the age of 21. Young people who have survived the many traumas that led to their placement in foster care, and their journey through the foster care system often have special health care needs, especially in the area of mental health. Providing transitional health coverage at this crucial juncture in their lives can make the difference between successfully moving on to accomplish their goals, or becoming stuck in an unsatisfying and unhealthy way of life.

Another key focus of ASFA is on moving children from foster care to permanent homes, and when possible adoption. Older teens in foster care have a great need for a permanent family. Although we propose to improve the Independent Living program and increase eligibility for services to the age of 21, it does end at that time. And yet a youth's need for a family does not end at any particular age. Each of us can clearly recall times when we have had to turn to our own families for advice, comfort or support long after our 18th or 21st birthdays. Many of us are still in the role of providing such support to our own children who are in their late teens or 20s. Therefore, an important provision in this Senate version of the Foster Care Independence Act states that Independent Living (IL) programs are not alternatives to permanency planning—young people of all ages need and deserve every possible effort made towards permanence, including adoption. It would be counterproductive to create any disincentive for adoption of teenagers. Therefore, our legislation would allow any enhanced independent living services, particularly health care, to continue until age 21 for those teens who are lucky enough to become adopted after 16 years old.

Independent Living programs were designed to provide young people with training, skill-development and support as they make the transition from foster care to self-sufficiency. In some states, with creativity and innovation, these programs have seen remarkable success in that effort. In other localities, the programs have provided minimal support, and young people have faced an array of challenging life decisions and choices without the skills or supports to make them successfully. This bill requires that states improve their Independent Living programs, by requiring youth involvement at every level, requiring youths to participate in on-going education and career development activities, and requiring that those youths for whom room and board services are provided also have adult supervision and support.

In short, this bill assists a very vulnerable group of young Americans by ensuring that they have access to: Health Care up to the age of 21; continued efforts to locate a permanent family; a quality Independent Living program providing a broad array of skills, resources and services; and a program that focuses on critical outcomes, especially in the areas of education, career development, and positive lifestyle choices.

These will be valuable steps in our efforts to be more able to effectively address the needs of our Nation's most vulnerable young people, on the brink of adulthood. I urge my colleagues to join us in co-sponsoring and passing this bill.

Mr. BOND. Mr. President, I rise today with my colleagues Senators CHAFEE, ROCKEFELLER, REED, MOYNIHAN, BREAUX, CONRAD, JEFFORDS, MIKULSKI, and LANDRIEU to introduce the Foster Care Independence Living Act of 1999. This important piece of legislation will provide transitional assistance for the estimated 20,000 youths in the United States who ''age out'' of the foster care system at the age of 18 without a permanent family.

This legislation builds on the Promotion of Adoption, Safety, and Support for Abused and Neglected Children (PASS) Act that I co-sponsored in 1997. The Foster Care Independence Living Act of 1999 increases the funding for the independent living program in order to provide basic living needs, such as housing and food. Additionally, the increased funding provides states the option to grant Medicaid for health care, including mental health needs, to former foster children up to their 21st birthdays as a condition of receiving the increased funding.

This legislation also guarantees that state programs are well supervised and provides a wide range of support which focuses on health, safety, and permanency goals. In addition, the bill allows children who receive aid under the independent living program to have assets or resources totaling $10,000, in contrast to the old requirement of $1,000, which deterred foster children from saving money for a sound future.

Mr. President, at age 18 foster care children are suddenly expected to be adults, able to take care of themselves. That is not a reasonable expectation, especially for kids deprived of a nurturing parent or other caring adult. As these youths age out of foster care without a permanent family or a structure of continued support, many lack a high school education, have difficulty maintaining employment, and often experience high levels of depression and discouragement. Research has proven that a significant number of homeless shelters users had recently been discharged from foster care. Other studies found that former foster care youth 2½ to 4 years after they ''aged out'' of foster care found that 46% of the youths had not completed high school, approximately 40% were dependent on public assistance or Medicaid and 42% had given birth or fathered a child.

Mr. President, I know first hand how this legislation can impact our nation's foster care children. In my home state of Missouri, Epworth Children and

Family Services, in St. Louis, provides resources needed to help people who fall through the cracks of a system that is not strong enough to help build a future for foster care children ''aging out'' of foster care. Robin, an 18-year-old foster care youth, was all alone in the world when she entered Epworth's Independent Living Program. Her father was never a part of her life and her mother was serving time in jail. Motivated by the desire to regain custody of her two-year-old baby boy, Robin started the program with high hopes. However Robin struggled as she worked with the caring staff at Epworth. Despite attempts by the professional at Epworth to stretch limited resources to address Robin's ongoing needs, their system failed Robin. She was removed from Epworth by the Missouri Division of Family Services. Robin needed more support, more staff interaction and more resources than the Epworth program could provide.

Mr. President, the Foster Care Independence Living Act of 1999 provides significant assistance to assure that these foster care youth who ''age out'' of the system are provided with the assistance needed to transition out of foster care into independence. The provisions in this bill will assist these youth to begin a supervised and nurtured life outside of the foster care system. They will be given the time and resources they need to enter adulthood prepared. This independent living initiative would give many ''Robins'' the change to be self-sufficient and to contribute to her community. This means a better life for all of our children.

Mr. MOYNIHAN. Mr. President, today, I am proud to co-sponsor the Foster Care Independence Act of 1999, introduced by my good friend and colleague Senator CHAFEE. We are joined by a group of our colleagues, including Senator ROCKEFELLER, BOND, REED.

This legislation will help a group of our children in dire circumstances—foster children who reach age 18 still in the custody of the state. They were victims of abuse and neglect and their families proved to be beyond repair. About 20,000 children a year ''age out'' of the foster care system. They reach 18 and we, in large part, abandon them to the world. Many make their way successfully. But far too many, alas, do not, and these children are more likely to become homeless or end up on public assistance.

More than a decade ago, we recognized that these children needed additional help in preparing for life on their own. I am proud to have helped create the Independent Living program, which provided Federal support for efforts that prepare teenager for the transition from foster care to independence.

Today we are working on a bipartisan basis to build on this program. The bill we are introducing will double funding for the Independent Living program and increase the use of the funds to assist former foster care children until they reach 21, including, for the first time, help with room and board. As any parent knows, many 19 and 20-year olds remain in need of family support from time to time. For children who have ''aged out'' of foster care by turning 18, the government is, in effect, their parent and we should do more to help them become independent and self-sufficient, just as other parents do. The legislation also contains important provisions encouraging states to continue Medicaid coverage for these children so that health care remains available to them.

Mr. President, this legislation has widespread support, including from the Administration and key members of both parties. I would like to particularly thank the First Lady for her leadership in working on behalf of these children. I thank Senator CHAFEE for offering it and look forward to working with him and many others to see that it becomes law.

By Mr. KERRY (for himself, Mr. GRASSLEY, Mr. BAUCUS, Mr. HARKIN, Mr. CLELAND and Mr. BURNS):

S. 1328. A bill to amend the Internal Revenue Code of 1986 to permit the disclosure of certain tax information by the Secretary of the Treasury to facilitate combined Federal and State employment tax reporting, and for other purposes; to the Committee on Finance.

SINGLE POINT TAX FILING ACT OF 1999

Mr. KERRY. Mr. President, there is no shortage of ideological ferment over the issue of taxes—from IRS Reform to discussion after discussion of tax cuts, we have gone back and forth over these questions and we've worked, as much as possible, to find a bipartisan consensus. Today I am joined by my colleagues Senator GRASSLEY and Senator BAUCUS to introduce legislation about which I would think every member of this body would be able to agree—legislation that makes tax filing simpler and easier for the small businesses that constitute 98 percent of all businesses in America, employ nearly 60 percent of the workforce, and which, having created close to two-thirds of America's net new jobs since the 1970s, continue to serve as the wellspring for our Nation's technological innovation and productivity growth.

Mr. President, America's small businesses are today drowning in tax paperwork. The nation's 6.7 million employers are responsible for filing federal and state employment taxes and wage reports, as well as unemployment insurance reports. Under current law, employers file tax and unemployment insurance reports with federal and state agencies throughout the year, reports which obligate employers to understand and comply with diverse and often conflicting state and federal laws. Just to keep up with these requirements, employers must maintain separate wage records for federal income tax withholding, state income tax withholding, FICA, FUTA, and SUI. In many cases, employers must report this information to government agencies at different times and in different forms. The reporting burden is only compounded when employers do business in more than one state, many of which do not have the same legal or procedural requirements. Just consider the financial burden—essentially a tax on taxes—associated with employer tax, wage, and unemployment insurance reporting is estimated at $16.2 billion for Fiscal Year 1999. The federal portion of this employer burden is $9.8 billion, the state portion relatively little less at $6.4 billion.

Given what we know about the role small businesses play as the engine of our economy, and given all the expectations we share in terms of the potential for these businesses to push the boundaries of economic growth out even further in the new economy, I think we would all agree that we ought to do something to relieve some of the tax filing burdens on these employers, to give them more time and, I think it follows, more capital to focus on job creation in our workforce, not, respectfully, job creation over at the IRS and in the accounting industry.

Let me just read to you what David A. Lifson, speaking on behalf of the American Institute of Certified Public Accountants, said in his testimony before the Ways and Means Committee, Oversight Subcommittee on ''The Impact of Complexity of the Tax Code on Individual Taxpayers and Small Businesses'' May 25, 1999:

''Significant problems arise from the increasing complexity of the tax law. For example: a growing number of taxpayers perceive the tax law to be unfair; it becomes increasingly more difficult for the Internal Revenue Service to administer the tax law; the cost of compliance for all taxpayers is increasing (of particular concern are the many taxpayers with unsophisticated financial affairs who are forced to seek professional tax return preparation assistance); and, complexity interferes with economic decision making. The end result is erosion of voluntary compliance. By and large, our citizens obey the law, but it is only human to disobey a law if you do not or can not understand the rules. In a recent Associated Press (AP) poll, 66 percent of the respondents said that the federal tax system is too complicated. Three years ago, just under one-half of respondents in a similar AP poll said that the tax system was too complicated. The poll also showed that more than half of those surveyed, 56 percent, now pay someone else to prepare their tax returns. This is a serious indictment of

our tax system. When over half our individual taxpayers have so little comprehension of (or faith in) their tax system that they have to hire another party to prepare their returns, something is not right.''

Now, Mr. President, I applaud David Lifson's candor in speaking out for tax simplification. The truth is, when the one industry—accounting—which depends financially on the very complexity and unwieldiness of our tax filing process and the tax code itself, is saying—honestly—that the system is too complex, we know—unequivocally—that we need to do something to make the tax filing process work for taxpayers. The burden of tax code complexity is taking a heavy toll. At an April hearing before the Senate Small Business Committee, the General Accounting Office identified more than 200 different federal tax code requirements that potentially apply to small businesses. Today, when a business hires an employee, the business becomes responsible for collecting and paying three federal taxes (income tax withholding, FICA, and FUTA). It also becomes liable for state and local employment taxes: in most states, these include a state income tax and a state unemployment tax. For businesses, each tax presents its own set of rules and regulations. For the small business owner just starting up, these employment tax rules make compliance difficult and confusing—and in too many instances the cumbersome nature of the tax filing process is a disincentive in itself for small businesses to grow.

We need to reverse that course, and, Mr. President, we can do just that today—we can simplify the tax filing process for employers by allowing the Internal Revenue Service (IRS) and State agencies to combine, on one form, both State and Federal employment tax returns.

As we all know, traditionally, federal tax forms are filed with the federal government and state tax forms are filed with individual states. This necessitates duplication of items common to both returns. Several States have been working creatively with the IRS to implement combined State and Federal reporting of employment taxes, on one form, as a way of reducing the administrative burden on taxpayers. The Taxpayer Relief Act of 1997 authorized a demonstration project to assess the feasibility and desirability of expanding combined reporting. The pilot project was: (1) limited to the State of Montana, (2) limited to employment tax reporting, (3) limited to disclosure of the name, address, taxpayer identification number, and signature of the taxpayer, and (4) limited to a period of five years. On March 29, 1999, the IRS announced the successful testing of the Single-Point Filing Initiative. Several States are currently considering agreements with the IRS to initiate joint-filing of employment taxes. Those States include Maine, Oklahoma, Iowa, South Carolina, Ohio, and Massachusetts. My colleague Senator BAUCUS knows just how popular this experiment has been in Montana. He'll tell you that by permitting the IRS to share a limited amount of basic taxpayer identity information—information which States already collect separately at an added expense to themselves and the taxpayer, the Single-Point Tax Filing Act we are introducing today will allow the IRS to expand joint-filing beyond its current pilot project.

Implementation of combined State-Federal employment tax reporting—a good idea, a common-sense idea long in the making—has been hindered because the tax code applies restrictions on disclosure of information common to both the State and Federal portions of the combined form. Our bill will waive those restrictions, and allow us to take a common-sense step forward for small businesses in the United States, a step forward for single-point tax filing.

Mr. President, this is one of the obligations the American people—regardless of party or politics, expect us to take seriously—to protect them as taxpayers. And I believe that this is one tax provision, one measure of simplification, on which we can all agree—and we can make it law at no additional cost to taxpayers. I am pleased to introduce the Single Point Tax Filing legislation today, I thank the distinguished members of the Finance Committee CHARLES GRASSLEY and MAX BAUCUS who join me today in offering this legislation, and I ask for your support of this important measure.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

SINGLE-POINT TAX FILING ACT OF 1999

PURPOSE

To simplify the tax filing process for employers by allowing the Internal Revenue Service (IRS) and State agencies to combine, on one form, both State and Federal employment tax returns.

SUMMARY

Traditionally, Federal tax forms are filed with the Federal government and State tax forms are filed with individual States. This necessitates duplication of items common to both returns. Several States have been working with the IRS to implement combined State and Federal reporting of employment taxes, on one form, as a way of reducing the administrative burden on taxpayers. By permitting the IRS to share a limited amount of basic taxpayer identity information—information which States already collect separately at an added expense to themselves and the taxpayer, the Single-Point Tax Filing Act will allow the IRS to expand joint-filing beyond its current pilot project.

BACKGROUND

The tax code prohibits disclosure of tax returns and return information, except to the extent specifically authorized by law. Unauthorized disclosure is a felony punishable by a fine not exceeding $5,000 or imprisonment of not more than five years, or both. An action for civil damages also may be brought for unauthorized disclosure. No tax information may be furnished by the IRS to another agency unless the other agency establishes procedures satisfactory to the IRS for safeguarding the tax information it receives.

Implementation of combined State-Federal employment tax reporting has been hindered because the tax code applies restrictions on disclosure of information common to both the State and Federal portions of the combined form.

The Taxpayer Relief Act of 1997 authorized a demonstration project to assess the feasibility and desirability of expanding combined reporting. The pilot project was: (1) limited to the State of Montana, (2) limited to employment tax reporting, (3) limited to disclosure of the name, address, taxpayer identification number, and signature of the taxpayer, and (4) limited to a period of five years. On March 29, 1999, the IRS announced the successful testing of the Single-Point Filing Initiative.

Several States are currently considering agreements with the IRS to initiate joint-filing of employment taxes. Those States include Maine, Oklahoma, Iowa, South Carolina, Ohio, and Massachusetts.

LEGISLATION

Before additional joint-filing projects may move forward, the IRS must receive legislative authority to share basic information with State agencies. By providing the necessary statutory waiver, the Single-Point Tax Filing Act will permit the IRS to extend joint-filing beyond its current pilot project. The waiver would only pertain to employment tax reporting and would only permit the disclosure of the taxpayer's name, mailing address, taxpayer identification number, and signature (i.e., taxpayer identity information).

Mr. BAUCUS. Mr. President, I want to add my strong support to the Single-Point Tax Filing Act of 1999 introduced by my colleagues Senators KERRY and GRASSLEY. As a result of language I had included in the 1997 Taxpayer Relief Act, Montana is the only state in the nation currently testing a Single-Point Tax Filing system, also known as the Simplified Tax and Wage Reporting System, or STAWRS.

The STAWRS pilot project in Montana has been a tremendous success. Earlier this year, the State of Montana and its Department of Revenue received a Regulatory Innovation Award from the Small Business Administration, the Commissioner's Award from the Internal Revenue Service, and the ''Hammer'' Award by the National Performance Review. These awards were all given in recognition of the pilot project's achievement in dramatically reducing paperwork and cutting red tape for small businesses. I was also honored to receive SBA's Special Advocacy Award for my efforts to have legislation enacted that allowed the pilot project to go forward.

The STAWRS program is designed to help businesses file their paperwork with one office, instead of wading through a blizzard of paper. It's one-

stop shopping and will go a long way toward streamlining payroll information, making filing faster and easier. Right now, businesses find themselves reporting the same exact information, on wide variety of forms, to a range of state and federal agencies. This takes time and effort, both of which small business owners could put to much better use running their businesses. The STAWRS project is intended to eventually make it possible for employers to file a single, one-page report that is then shared by the appropriate revenue agencies. The governments will do the work and extract the information they need rather than the employer.

Small businesses are the engine for economic growth in this country. They have created close to two-thirds of America's net new jobs since the 1970's, helping drive our unprecedented economic growth and prosperity. All of this growth has been achieved despite the crushing paperwork requirements that small business owners face. The Single-Point Tax Filing Act gives us an opportunity to reduce this paperwork burden at no cost to the government. I am proud that Montana has taken the lead in reducing paperwork for small business, and strongly believe it should be made available to small businesses in every state, and on a permanent basis.

I urge my colleagues to support the bill.

By Mr. REID:

S. 1329. A bill to direct the Secretary of the Interior to convey certain land to Nye County, Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

CONVEYANCE OF LAND TO NYE COUNTY, NEVADA

Mr. REID. Mr. President, I rise today to introduce legislation to authorize Nye County, Nevada to acquire approximately 800 acres of public land. This conveyance will facilitate the development of both the Nevada Science and Technology Center and the Amargosa Valley Science and Technology Park, part of a larger proposed Nevada Science and Technology Corridor.

The Nevada Science and Technology Center is a proposed interactive science center and museum, highlighting the environment, industries, and technological developments associated with the region. This state of the art facility will have the potential to draw visitors from the Las Vegas Valley, 80 miles to the southeast, and the 1.3 million tourists who visit nearby Death Valley on an annual basis. The Center will appeal to people of all ages and backgrounds because it will provide a unique, fun, hands-on experience. Planning for this project is ongoing under the direction of a Nevada registered non-profit organization.

The Amargosa Valley Science and Technology Park is a proposed research and development business park designed to support Department of Energy contractors and suppliers associated with the Nevada Test Site, located immediately to the north of this site. Nye County currently has a $1.5 million grant from the Economic Development Administration in the final stages of review at that agency's regional office. Once finalized, this grant will provide the funding for water and infrastructure development in support of both the science center and the research and development park.

The lands proposed for conveyance have been identified for disposal under the Bureau of Land Management's October 1998 Las Vegas Resource Management Plan. Due to the non-profit nature of the Science Center, this portion of land, approximately 450 acres, would be conveyed at no cost. Because the research and industrial park will house commercial operations, the County would be required to pay fair market value for these lands, approximately 350 acres. The legislation contains provisions for the no-cost land to revert to the federal government should it be used for purposes other than the science center and related facilities.

This legislation will provide the impetus for future development in this area, providing the opportunity for economic growth in Nye County. I urge my colleagues to vote for passage of this bill.

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

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

S. 1329

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

SECTION 1. CONVEYANCE TO NYE COUNTY, NEVADA.

(a) DEFINITIONS.—In this section:

(1) COUNTY.—The term ''County'' means Nye County, Nevada.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(b) PARCELS CONVEYED FOR USE OF THE NEVADA SCIENCE AND TECHNOLOGY CENTER.—

(1) IN GENERAL.—For no consideration and at no other cost to the County, the Secretary shall convey to the County, subject to valid existing rights, all right, title, and interest in and to the parcels of public land described in paragraph (2).

(2) LAND DESCRIPTION.—The parcels of public land referred to in paragraph (1) are the following:

(A) The portion of Sec. 13 north of United States Route 95, T. 15 S. R. 49 E, Mount Diablo Meridian, Nevada.

(B) In Sec. 18, T. 15 S., R. 50 E., Mount Diablo Meridian, Nevada:

(i) W ½ W ½ NW ¼.

(ii) The portion of the W ½ W ½ SW ¼ north of United States Route 95.

(3) USE.—

(A) IN GENERAL.—The parcels described in paragraph (2) shall be used for the construction and operation of the Nevada Science and Technology Center as a nonprofit museum and exposition center, and related facilities and activities.

(B) REVERSION.—The conveyance of any parcel described in paragraph (2) shall be subject to reversion to the United States, at the discretion of Secretary, if the parcel is used for a purpose other than that specified in subparagraph (A).

(b) PARCELS CONVEYED FOR OTHER USE FOR A COMMERCIAL PURPOSE.—

(1) RIGHT TO PURCHASE.—For a period of 5 years beginning on the date of enactment of this Act, the County shall have the exclusive right to purchase the parcels of public land described in paragraph (2) for the fair market value of the parcels, as determined by the Secretary.

(2) LAND DESCRIPTION.—The parcels of public land referred to in paragraph (1) are the following parcels in Sec. 18, T. 15 S., R. 50 E., Mount Diablo Meridian, Nevada:

(A) E ½ NW ¼.

(B) E ½ W ½ NW ¼.

(C) The portion of the E ½ SW ¼ north of United States Route 95.

(D) The portion of the E ½ W ½ SW ¼ north of United States Route 95.

(E) The portion of the SE ¼ north of United States Route 95.

(3) USE OF PROCEEDS.—Proceeds of a sale of a parcel described in paragraph (2)—

(A) shall be deposited in the special account established under section 4(e)(1)(C) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2345); and

(B) shall be available to the Secretary as provided in section 4(e)(3) of that Act (112 Stat. 2346).

By Mr. REID:

S. 1330. A bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city; to the Committee on Energy and Natural Resources.

CONVEYANCE OF LAND TO THE CITY OF MESQUITE, NEVADA

Mr. REID. Mr. President, I rise today to introduce legislation to authorize the city of Mesquite, Nevada, to acquire approximately 7,690 acres of public land necessary to provide for urban and economic growth and development of a new commercial airport. This legislation will amend existing public law and allow for the continued expansion of this growing community.

Mesquite is the one of the fastest growing cities in the fastest growing State in the Nation According to figures released by the U.S. Census Bureau, Mesquite grew by 441% between 1990 and 1998, increasing in population from 1,871 to over 10,000. This phenomenal growth rate is being fueled by a variety of factors, including the development of new destination resorts and the ''discovery'' of other recreational opportunities in the tri-state region of Nevada, Arizona, and Utah. As the tourism industry in the area continues to grow and prosper, a greater capacity for air carrier service will be required to meet the needs of the region. In addition, the city of Mesquite is land locked by public lands. While some relief has been provided via the

existing public law, this growth is exceeding demand and the city expects to be out of room within a couple of years. This bill is designed to help with both growth related and air service issues.

Although the existing Mesquite Airport is adequate for general aviation service, terrain precludes the expansion necessary for commercial and cargo service. A new commercial airport is needed to meet the future regional demands. The proposed airport site identified in this bill is a result of an approved Site Selection Study conducted for the Clark County Department of Aviation. This study was funded through, and approved by, the Federal Aviation Administration. Of course, no airport construction activities will begin without completion of a comprehensive Airport Master Plan and environmental review. Once these steps are completed, airport construction will be financed by the City of Mesquite and its business community.

Existing state law requires that the airport site be contiguous with the city limits in order to be annexed. The legislation I introduce today will authorize the city to purchase 5,400 acres of public land to meet this connectivity requirement. As some of this land has development potential, the city will be required to pay fair market value for this acreage. The actual airport site of 2,560 acres would be acquired by the city pursuant to existing land acquisition statues related to transportation and airport development.

Mr. President, I request that this legislation be given prompt consideration.

Mr. President, I also ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1330

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

SECTION 1. CONVEYANCE OF LAND TO CITY OF MESQUITE, NEVADA.

Section 3 of Public Law 99–548 (100 Stat. 3061; 110 Stat. 3009–202) is amended by adding at the end the following:

''(e) FIFTH AREA.—

''(1) RIGHT TO PURCHASE.—For a period of 12 years after the date of enactment of this Act, the city of Mesquite, Nevada, shall have the exclusive right to purchase the parcels of public land described in paragraph (2).

''(2) LAND DESCRIPTION.—The parcels of public land referred to in paragraph (1) are as follows:

''(A) In T. 13 S., R. 70 E., Mount Diablo Meridian, Nevada:

''(i) The portion of sec. 27 north of Interstate Route 15.

''(ii) Sec. 28: NE ¼, S ½ (except the Interstate Route 15 right-of-way).

''(iii) Sec. 29: E ½ NE ¼ SE ¼, SE ¼ SE ¼.

''(iv) The portion of sec. 30 south of Interstate Route 15.

''(v) The portion of sec. 31 south of Interstate Route 15.

''(vi) Sec. 32: NE ¼ NE ¼ (except the Interstate Route 15 right-of-way), the portion of NW ¼ NE ¼ south of Interstate Route 15, and the portion of W ½ south of Interstate Route 15.

''(vii) The portion of sec. 33 north of Interstate Route 15.

''(B) In T. 14 S., R. 70 E., Mount Diablo Meridian, Nevada:

''(i) Sec. 5: NW ¼.

''(ii) Sec. 6: N ½.

''(C) In T. 13 S., R. 69 E., Mount Diablo Meridian, Nevada:

''(i) The portion of sec. 25 south of Interstate Route 15.

''(ii) The portion of sec. 26 south of Interstate Route 15.

''(iii) The portion of sec. 27 south of Interstate Route 15.

''(iv) Sec. 28: SW ¼ SE ¼.

''(v) Sec. 33: E ½.

''(vi) Sec. 34.

''(vii) Sec. 35.

''(viii) Sec. 36.

''(3) NOTIFICATION.—Not later than 10 years after the date of enactment of this subsection, the city shall notify the Secretary which of the parcels of public land described in paragraph (2) the city intends to purchase.

''(4) CONVEYANCE.—Not later than 1 year after receiving notification from the city under paragraph (3), the Secretary shall convey to the city the land selected for purchase.

''(5) WITHDRAWAL.—Subject to valid existing rights, until the date that is 12 years after the date of enactment of this subsection, the parcels of public land described in paragraph (2) are withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws.

''(6) USE OF PROCEEDS.—The proceeds of the sale of each parcel—

''(A) shall be deposited in the special account established under section 4(e)(1)(C) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2345); and

''(B) shall be disposed of by the Secretary as provided in section 4(e)(3) of that Act (112 Stat. 2346).

''(f) SIXTH AREA.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall convey to the city of Mesquite, Nevada, in accordance with section 47125 of title 49, United States Code, up to 2,560 acres of public land to be selected by the city from among the parcels of land described in paragraph (2).

''(2) LAND DESCRIPTION.—The parcels of land referred to in paragraph (1) are as follows:

''(A) In T. 13 S., R. 69 E., Mount Diablo Meridian, Nevada:

''(i) The portion of sec. 28 south of Interstate Route 15 (except S ½ SE ¼).

''(ii) The portion of sec. 29 south of Interstate Route 15.

''(iii) The portion of sec. 30 south of Interstate Route 15.

''(iv) The portion of sec. 31 south of Interstate Route 15.

''(v) Sec. 32.

''(vi) Sec. 33: W ½.

''(B) In T. 14 S., R. 69 E., Mount Diablo Meridian, Nevada:

''(i) Sec. 4.

''(ii) Sec. 5.

''(iii) Sec. 6.

''(iv) Sec. 8.

''(C) In T. 14 S., R. 68 E., Mount Diablo Meridian, Nevada:

''(i) Sec. 1.

''(ii) Sec. 12.

''(3) WITHDRAWAL.—Subject to valid existing rights, until the date that is 12 years after the date of enactment of this subsection, the parcels of public land described in paragraph (2) are withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws.''.

By Mr. REID:

S. 1331. A bill to give Lincoln County, Nevada, the right to purchase at fair market value certain public land in the county; to the Committee on Energy and Natural Resources.

LINCOLN COUNTY LANDS ACT OF 1999

Mr. REID. Mr. President, I rise today to introduce legislation to provide Lincoln County, Nevada with the exclusive right to purchase approximately 4,800 acres of public land near Mesquite, Nevada. This legislation, to be known as the Lincoln County Lands Act of 1999, will facilitate economic growth and development in one of the most economically distressed counties in the Silver State.

Lincoln County encompasses an area of 10,132 square miles, which is larger than several of the New England states combined. Approximately 98% of the County is owned by the federal government and property tax revenues amount to only $1,106,558 annually. As a result, Lincoln County is hard pressed to provide basic services to its citizens and the County school district in facing a critical situation as its schools are literally crumbling because of a lack of funds to maintain them. The Lincoln County Lands Act will allow the County to address these economic problems in a positive way.

By allowing Lincoln County to purchase 4,800 acres of public land (less than 1/10th of 1% of the land in the County) at fair market value, this legislation will result in the County's property tax revenues increasing by over $12.9 million annually—an increase of more than 1000%. While this may seem extraordinary, it is a result of land being situated immediately adjacent to the rapidly growing City of Mesquite which is located just over the County line in Clark County, Nevada. Mesquite's growth has created a huge demand for more housing and commercial development that can be best met by allowing Lincoln County to purchase this public land and develop it in a prudent manner. Under this scenario everyone involved is a winner. Lincoln County will gain badly needed property tax revenue, Mesquite gains room for expansion and growth, and the federal government will be fairly compensated for the sale of public lands.

Another important aspect of this legislation is that it allows for the proceeds of any sale of land pursuant to the Act to be utilized by the Bureau of Land Management to acquire or otherwise protect environmentally sensitive lands in Nevada, to defray the administrative costs that BLM will incur in

processing this land sale, and to develop a multi-species habitat plan for all of Lincoln County. These provisions, similar to those contained in the Southern Nevada Public Land Management Act enacted in 1998, will help ensure that a mechanism exists to fund the conservation and protection of Nevada's natural resources.

Mr. President, the Lincoln County Lands Act is modeled after other legislation that I have successfully sponsored, such as the Mesquite Lands Act of 1986 and the previously mentioned Southern Nevada Public Land Management Act. These laws have provided a framework for creating economic growth while protecting the environment and the taxpayer. I am very pleased to be able to build upon these achievements by assisting Lincoln County in a similar manner. I look forward to prompt consideration of this important piece of legislation.

Mr. President. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1331

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 ''Lincoln County Land Act of 1999''.

SEC. 2. SALE OF PUBLIC LAND.

(a) RIGHT TO PURCHASE.—For a period of 10 years after the date of enactment of this Act, Lincoln County, Nevada, shall have the exclusive right to purchase the parcels of public land described in subsection (b).

(b) LAND DESCRIPTION.—The parcels of public land referred to in subsection (a) are the following parcels in T. 12 S., R. 71 E., Mount Diablo Meridian, Nevada:

(1) Sec. 16: NW ¼ SW ¼, S ½ SW ¼, SE ¼.
(2) Sec. 17: SW ¼, W ½ SE ¼, SE ¼ SE ¼.
(3) Sec. 18: SE ¼.
(4) Sec. 19: E ½.
(5) Sec. 20.
(6) Sec. 21: W ½.
(7) Sec. 28: W ½.
(8) Sec. 29.
(9) Sec. 30: E ½.
(10) Sec. 31: E ½.
(11) Sec. 32.
(12) Sec. 33: W ½, SE ¼.
(13) Sec. 34: S ½.

(c) NOTIFICATION.—Not later than 180 days after the date of enactment of this Act, Lincoln County, Nevada, shall notify the Secretary of the Interior which of the parcels of public land described in subsection (b) the county intends to purchase.

(d) TERMS AND CONDITIONS OF SALE.—All sales of public land under this section—

(1) shall be subject to valid existing rights; and

(2) shall be made for fair market value, as determined by the Secretary.

(e) CONVEYANCE.—Not later than 1 year after receiving notification by Lincoln County that the county wishes to proceed with a purchase under subsection (a), the Secretary of the Interior shall convey to Lincoln County the parcels of land selected for purchase.

(f) WITHDRAWAL.—Subject to valid existing rights, until the date that is 10 years after the date of enactment of this Act, the public land described in subsection (b) is withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws.

SEC. 3. DISPOSITION OF PROCEEDS.

(a) LAND SALES.—Of the gross proceeds of sales of land under this Act in a fiscal year—

(1) 5 percent shall be paid directly to the State of Nevada for use in the general education program of the State;

(2) 10 percent shall be returned to Lincoln County for use as determined through normal county budgeting procedures, with emphasis given to support of schools, of which no amount may be used in support of litigation against the Federal Government; and

(3) the remainder shall be deposited in a special account in the Treasury of the United States (referred to in this section as the ''special account'') for use as provided in subsection (b).

(b) AVAILABILITY OF SPECIAL ACCOUNT.—

(1) IN GENERAL.—Amounts in the special account (including amounts earned as interest under paragraph (3)) shall be available to the Secretary of the Interior, without further Act of appropriation, and shall remain available until expended, for—

(A) the cost of acquisition of environmentally sensitive land or interests in such land in the State of Nevada, with priority given to land outside Clark County;

(B) development of a multispecies habitat conservation plan in Lincoln County, Nevada; and

(C) reimbursement of costs incurred by the Bureau of Land Management in preparing sales under this Act, or other authorized land sales or exchanges within Lincoln County, Nevada, including the costs of land boundary surveys, compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), appraisals, environmental and cultural clearances, and any public notice.

(2) ACQUISITION FROM WILLING SELLERS.—An acquisition under paragraph (1)(A) shall be made only from a willing seller and after consultation with the State of Nevada and units of local government under the jurisdiction of which the environmentally sensitive land is located.

(3) INTEREST.—Amounts in the special account shall earn interest in the amount determined by the Secretary of Treasury on the basis of current average market yield on outstanding marketable obligations of the United States of comparable maturities.

By Mr. BAYH (for himself, Mr. LUGAR, Mr. ROCKEFELLER, Mr. VOINOVICH, Mr. DURBIN, Mr. BINGAMAN, Mr. STEVENS, Mr. KENNEDY, Mr. MURKOWSKI, Mr. KERREY, and Ms. LANDRIEU):

S. 1332. A bill to authorize the President to award a gold medal on behalf of Congress to Father Theodore M. Hesburg, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community; to the Committee on Banking, Housing, and Urban Affairs.

CONGRESSIONAL GOLD MEDAL IN HONOR OF REVEREND THEODORE HESBURGH

• Mr. BAYH. Mr. President, I rise today with my good friend and colleague from Indiana, Senator RICHARD LUGAR, to introduce legislation awarding the Congressional Gold Medal to the Reverend Theodore Hesburgh, president emeritus of the University of Notre Dame.

This bipartisan effort recognizes Father Hesburgh for his outstanding contributions to the civil rights movement and to improving higher education. His efforts have provided benefits not only to the people of the United States but to the global community as well.

Over the years, Father Hesburgh has held 15 presidential appointments and remains a national leader in the fields of education, civil rights and development of the world's poorest nations. Most notable among Father Hesburgh's many previous awards is the Medal of Freedom, the nation's highest civilian honor, bestowed on him by President Johnson in 1964.

Mr. President, Father Hesburgh has been a champion of the civil rights movement for more than forty years. He was a charter member of the U.S. Commission on Civil Rights in 1957, and served as Chairman of the commission from 1969–72. His relentless pursuit of justice, peace and equality continue to inspire people around the world.

Despite Father Hesburgh's commitment and obligations to Notre Dame and the various commissions he served, he still managed to give a sufficient amount of time and attention to global problems. Father Hesburgh served four Popes in many capacities, including as the permanent Vatican City representative to the International Atomic Energy Agency in Vienna from 1956–1970. In 1971, he joined the board of Overseas Developing Council, a private organization supporting interests of the underdeveloped world, and chaired it until 1982. During this time, he led fund-raising efforts that averted mass starvation in Cambodia in the immediate aftermath of the Khmer Rouge.

Notre Dame is perhaps most celebrated for its athletic prowess, but these on-the-field achievements should not overshadow Notre Dame's place as a world class institution of learning and scholarship. When Father Hesburgh stepped down as head of Notre Dame in 1987, he ended the longest tenure among active presidents of American institutions of higher learning. The accomplishments made during Father Hesburgh's tenure are perhaps best reflected in the significant gains made from the time he took over as the 15th president of Notre Dame in 1952, up until his departure. By the time Father Hesburgh left Notre Dame, enrollment had doubled, the number of faculty had tripled, and the number of degrees offered by the school had grown to over 2,500.

Most strikingly, Father Hesburgh was responsible for making dramatic changes to the University's composition by admitting women to Notre Dame. He also established several of

Notre Dame's prestigious institutions, both the Kroc Institute for International Peace Studies and the Kellogg Institute for International Studies.

Today, even in retirement, Father Hesburgh continues to be a leading educator and humanitarian, inspiring generations of students and citizens, while generously sharing his wisdom in the struggle for the rights of man.

That is why we rise today to introduce legislation in the Senate honoring this man with a Congressional Gold Medal for his outstanding contributions to the University of Notre Dame, our country and the global community.●

● Mr. LUGAR. Mr. President, I rise today to join Senator BAYH in introducing legislation to bestow a Congressional Gold Medal on Reverend Theodore M. Hesburgh, C.S.C., president emeritus of the University of Notre Dame.

In 1952, at the age of 35, Father Hesburgh became the fifteenth president of the University of Notre Dame. He served in that position for a remarkable 35 years. At the time of his retirement in 1987, he had the longest tenure among active American university presidents. Father Hesburgh's leadership and vision, together with the hard work of faculty, staff, alumni, and students, built Notre Dame into one of the premier universities in the United States.

In you ask any Golden-domer, they will tell you that Father Hesburgh's contributions to the University of Notre Dame are as big as the 13-floor library that bears his name. Notre Dame grew exponentially in research funding and in endowment during Father Hesburgh's presidency. When he assumed the office in 1952, Notre Dame served fewer than 5,000 students. Today it is an internationally recognized university of nearly 10,000 students engaged in every imaginable academic discipline.

More importantly, through his example and direction, Father Hesburgh inspired the university community to pursue not only academic excellence and international prominence, but also justice and spiritual meaning. Few universities have succeeded at creating an environment so committed to public service and so rich in its dialogue between the intellectual and the spiritual.

As Father Hesburgh worked to build the University of Notre Dame into what it is today, he simultaneously answered the call to serve his nation and the world. His career has embodied the principle of public service that he espoused at Notre Dame.

Father Hesburgh has held a remarkable 15 Presidential appointments over the years, covering such diverse topics as the peaceful uses of atomic energy and campus unrest. He was a charter member of the U.S. Commission on Civil Rights, created in 1957, and he chaired the commission from 1969–1972.

All the while he remained a national leader in education, serving on many commissions and study groups. He chaired the International Federation of Catholic Universities from 1963 to 1970. In this position and through his writings, he was instrumental in redefining the importance of international studies in higher education and the nature and mission of a contemporary Catholic university. Father Hesburgh also served four Popes as a Vatican representative to the International Atomic Energy Agency and other international assemblies.

The problems of underdeveloped nations have been a special interest of Father Hesburgh. He joined the board of the Overseas Development Council in 1971. His fund-raising work as Chairman helped avert mass starvation in Cambodia in 1979 and 1980. He also chaired the Select Commission on Immigration and Refugee Policy between 1979 and 1981. The recommendations of the Commission became the basis of legislation five years later.

Father Hesburgh's lengthy list of awards include the Medal of Freedom, bestowed by President Johnson in 1964. He is also the recipient of 135 honorary degrees, the most ever awarded to an American.

In retirement, Father Hesburgh has become a best-selling author. He still plays a major role in the development of higher education through the institutes he was instrumental in founding at Notre Dame, including the Kroc Institute for International Peace Studies and the Kellogg Institute for International Studies. Father Hesburgh chairs the advisory committee for both institutes.

Despite his innumerable accomplishments, Father Hesburgh has always remained grounded in the campus life of Notre Dame University. He continues to frequently lecture and preside at mass. He talks with everyone who approaches him and still loves having lunch with students daily to discuss their views on the courses and programs he has been so instrumental in advancing.

Mr. President, Father Hesburgh's life stands as an example of the type of service, dedication, and faith that the Congressional Gold Medal was meant to commemorate. I encourage my colleagues to join Senator BAYH and myself in supporting this legislation.●

By Mr. WYDEN (for himself and Mr. BENNETT):

S. 1333. A bill to expand homeownership in the United States; to the Committee on Banking, Housing, and Urban Affairs.

PROMOTING HOUSING AFFORDABILITY FOR WORKING FAMILIES ACT OF 1999

● Mr. WYDEN. Mr. President, many Americans are benefiting from today's robust economy—unemployment is down, the stock market is up and homeownership is at record levels.

Sounds good. But while homeownership levels are up for some, for others, the idea of owning a home is about as realistic as winning the lottery.

For millions of working families, paying for the house of their dreams too often turns into a financial nightmare. Homeownership should not be reserved for the wealthiest in our society, but should be within the grasp of every working man and woman.

Families with incomes below $25,000 generally cannot afford rent—much less monthly mortgage payments on most homes. Some of these are the people who keep our streets safe, fight fires and teach our children, people who play vital roles in our community. They deserve to own their own homes in the communities they know so well and work so hard to improve.

Working families should be able to invest in themselves and in their families rather than put their hard-earned income every month into rent paid to someone else. Houses do more than provide shelter. Houses become homes. They allow adults a chance to become established. They give children a sense of security. They allow small towns to function and big cities to endure.

It is no wonder then that we value homeownership in this country. Owning a home is a part of our culture, it's what we call ''the American dream.'' Still, this dream is out of the reach of many Americans. In Oregon, where more than 75 percent of jobs do not pay a living wage for a single parent, housing costs have skyrocketed, forcing nearly half of Oregon renters to spend more than 30 percent of their income on housing and utilities. According to the Department of Housing and Urban Development's guidelines, if someone is spending more than 30 percent of his or her income on housing, they start cutting into other basic needs such as putting food on the table, taking elderly parents to the doctor or clothing kids for school.

People should not have to choose between feeding their kids or keeping a roof over their heads. The bill that I am introducing, ''The Promoting Housing Affordability for Working Families Act of 1999,'' will help communities remove the barriers to affordable housing, so working families will not have to make this choice. Many factors, such as excessive rules and regulations, add to the price of a house. Cities and states must work together to remove these barriers. By working together, they can free up rental housing for those who cannot afford to buy a home while making the purchase of a first home easier for folks who have been previously denied the opportunity.

This bill addresses the problem on three fronts. First, it brings communities together to form ''barrier removal councils'' so they can identify

problems to housing affordability and begin implementing solutions.

Second, the bill requires Federal agencies to examine the impact of their regulations on the cost of housing. Determining this information through a ''housing impact analysis'' at the outset will save states, communities and, ultimately, families a lot of hassle down the road.

Third, it makes homeownership possible for people who help our communities thrive—teachers, police officers, fire fighters and other public employees. Through incentives such as downpayment assistance and closing cost flexibility this bill helps people live in the communities they serve.

Many working families are ready for their first home. They are starting to raise families, move up the ladder at work and are prepared to take on the responsibilities of homeownership. But when they get to the front door, they cannot step over the threshold because they are tied up in unnecessary regulation that drives up home prices. The ''Promoting Housing Affordability for Working Families Act of 1999'' will help these families untangle this regulatory knot and unlock the door to their first home.●

By Mr. AKAKA (for himself, Mr. EDWARDS, Mr. FRIST, Mr. LEVIN, Mr. STEVENS, Mr. SARBANES, and Mr. DURBIN):

S. 1334. A bill to amend chapter 63 of title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes; to the Committee on Governmental Affairs.

ORGAN DONOR LEAVE ACT

Mr. AKAKA. Mr. President, I am pleased today to introduce the Organ Donor Leave Act. This bill would extend the amount of leave in each calendar year available to federal workers who serve as living organ donors from 7 days to 30 days. It is a straight forward way to ensure that federal employees who serve as an organ donor have sufficient time to recover from an organ transplant operation.

I am delighted to be joined by Senator FRIST, one of the nation's leading transplant surgeons and the only active surgeon in Congress, as well as Senators EDWARDS, STEVENS, LEVIN, SARBANES, and DURBIN. The bill we offer is a companion bill to H.R. 457, introduced by Representative ELIJAH CUMMINGS and marked out of the House Government Reform Committee. Last year, an identical bill passed the House, but not the Senate. It is my hope that, with such a distinguished list of cosponsors from both sides of the aisle, the Senate will quickly enact this important legislation.

In most instances, an organ transplant operation and post-operative recovery time for a living donor is generally six to eight weeks. In order to address the disparity between the available leave a federal employee may take for an organ donation and the average recovery time, the Office of Personnel Management (OPM) and the Department of Health and Human Services (HHS) assisted in the drafting of this legislation to increase the amount of time that may be used for organ donation to 30 days. The amount of leave for a bone marrow donation would remain at seven days because experience shows that a week is considered adequate recovery time form bone marrow donations.

Since 1954, when the first kidney transplant was performed, there have been hundreds of patients who have received successful transplants from living donors. Unfortunately, there are not enough organs available and over 55,000 Americans currently wait for a life-saving organ. There are certain organs, such as a single kidney, a lobe of a lung, a segment of the liver, or a portion of the pancreas, which may be transplanted from a living donor. These operations can reduce the mortality of small children needing liver transplants, help another person breathe, or free a dialysis patient from daily treatment.

According to the University of Southern California Liver Transplant Program, ''With living donors, liver transplants can be performed electively and before patients get extremely ill, thus leading to better outcomes. Another advantage to this approach is the emotional satisfaction donors share with recipients when a life is saved.''

Our bill has the strong support of the American Transplantation Society, the nation's largest professional transplant organization, representing over 1,400 physicians, surgeons, and scientists. In a letter expressing support of the Organ Donor Leave Act, the AST noted: ''. . . a lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift-of-life. This important initiative addresses the disparities between leave time and recovery time.'' According to AST, the bill would give ''. . . donors the added assurance that they will be granted an adequate amount of time to recuperate from the life-saving process that they undertake voluntarily.''

Mr. President, this bill has already been passed by the House once, and appears to be on the same course in the 106th Congress. I hope the Senate will agree with the other chamber, and I urge my colleagues to support moving this life-saving legislation as soon as possible. I ask unanimous consent that a letter from the American Society of Transplantation be printed in the RECORD.

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

AMERICAN SOCIETY
OF TRANSPLANTATION,
Thorofare, NJ, June 29, 1999.

Hon. DANIEL AKAKA,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR AKAKA: The American Society of Transplantation (AST) commends you for your continuing efforts to improve our nation's system for organ donation and transplantation. The AST is the largest professional transplant organization in the United States and represents over 1,400 physicians, surgeons and scientists. During the last few years, the Society has greatly appreciated the opportunity to work with Congressional Members and staff in addressing many important organ transplantation issues.

The AST applauds you most recent efforts to improve organ donation by introducing the Senate companion legislation to H.R. 457 which seeks to amend the United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor. Through this legislation, the Federal Government will become a leader in encouraging individuals to perform the valuable public service of donating organs.

In the past, a lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift-of-life. This important initiative address disparities between leave time and recovery time. This legislation gives donors the added assurance that they will be granted an adequate amount of time to recuperate from the life saving process that they undertake voluntarily.

As we have discussed in the past, the problems that our nation faces in the allocation of organs and tissues for transplantation, a precious and scarce resource, are complex, and continue to evolve from both a medical and policy perspective. However, the real answer to dealing with the dilemma of allocating and distributing an inadequate supply of organs is through efforts such as yours to increase donation.

On behalf of the thousands of U.S. patients currently awaiting organ transplants, we commend you for your leadership in this area. In addition, we look forward to continuing to work with you in the future to improve the field of transplantation medicine.

Sincerely,

JOHN R. LAKE,
President.
JOHN F. NEYLAN,
Chair, Public Policy Committee.

By Mr. REED (for himself, Mr. SCHUMER, and Mr. EDWARDS):

S. 1336. A bill to amend the Internal Revenue Code of 1986 to provide a credit to promote home ownership among low-income individuals; to the Committee on Finance.

HOME OWNERSHIP TAX CREDIT ACT OF 1999

Mr. REED. Mr. President, I rise to discuss the state of home ownership in the U.S., in addition to legislation I am introducing with Senator SCHUMER and Senator EDWARDS to enable more families to achieve the American dream of home ownership.

Today, we have many reasons to celebrate. Indeed, the national home ownership rate has soared to an all-time high of almost 67 percent, which is up

from 64 percent in 1993. Of further significance, this increase has, in large measure, been fueled by the growth in home ownership among minority households. In fact, minorities were responsible for 42 percent of the increase in home ownership between 1994 and 1997, although they only account for 17 percent of the home owner population.

Despite these positive developments, a number of distressing trends should give us cause for concern. For example, minority home ownership rates still lag significantly behind those of non-minority households: 45 percent for minorities versus 72 percent for white households. In addition, only 45 percent of low-income households live in owner-occupied homes, as compared to 86 percent of high-income households.

These alarming disparities have broad societal implications because of the tremendous benefits associated with home ownership. Historically, home ownership has been the key to wealth creation in this country, and wealth in the form of home equity has enabled families to start businesses, finance their children's education, and cover unexpected expenses. Consequently, unequal home ownership rates lead to wealth disparities. In fact, the median wealth of non-elderly low income home owners is 12 times greater than the median wealth of non-elderly renters of the same income.

In addition to wealth-building, home ownership has a positive effect on families and on our communities. Indeed, research has found that children of homeowners are less likely to become involved in the justice system, drop out of school, or have children out of wedlock. Moreover, home ownership is correlated with membership in community organizations and voting, as well as participation in neighborhood enhancing activities.

In view of the substantial benefits associated with home ownership, the Federal Government has actively worked to increase the home ownership rate. The primary tools in this effort have been the mortgage interest and the real estate tax deductions. Although these tax deductions have reduced the costs of home ownership for many, they are of little use to low-income households because their itemized tax deductions generally do not exceed the standard deduction. As such, over 90 percent of the total benefits of the mortgage interest deduction accrue to home buyers with incomes greater than $40,000, and because of the progressive nature of federal income tax rates, even if lower-income households do itemize their deductions, they receive a smaller deduction as a percentage of income than more affluent buyers.

To attack the home ownership disparity between low- and upper-income households, the Federal Government has relied on the Mortgage Revenue Bond (MRB) program, the Mortgage Credit Certificate (MCC) program, and, to a limited extent, the Low-Income Housing Tax Credit (LIHTC) program. Under these programs, the Federal Government subsidizes interest rates to reduce monthly mortgage costs for low-income home owners.

While these programs have been successful, their effects have been limited. Indeed, the size of these programs, as measured by their annual cost—$2.2 billion—pales in comparison to the annual cost of the mortgage and real estate tax deductions—$58 billion.

Also, while attacking the income constraints that prevent many low-income families from being able to afford monthly mortgage costs, these programs do not address wealth constraints such as a lack of savings for a down payment and closing costs, that keep many low-income families from becoming home owners.

During these times of economic prosperity, we have a rare opportunity to close the home ownership gap that exists between low-income and upper-income families. To this end, I am introducing legislation to establish a Home Ownership Tax Credit targeted to low-income families. This legislation, which has been developed in conjunction with Harvard's Joint Center on Housing Studies, the Brookings Institution, and Self-Help Community Development Corporation, would attack the wealth and income constraints that prevent many low-income families from becoming home owners.

Under this legislation, the Federal Government would issue tax credits to participating lenders who would then be obligated to extend either low-interest or zero-interest second mortgages to low-income families. These second mortgages would effectively be used to cover the downpayment and closing costs, although a prospective home buyer would still be required to make a small contribution toward the purchase. Families could defer repayment on the second mortgage for 25 years, at which point a balloon payment would come due, or they could repay the second mortgage over 30-years, concurrent with the repayment of their first mortgage. In either event, the interest rate on the second mortgage would be subsidized, which would lower families' monthly mortgage costs. Also, these second mortgages would eliminate the need for private mortgage insurance, providing additional savings of roughly $60 per month. Under this proposal, families earning as little as $14,500 would, for the first time, have the opportunity of realizing the American dream of home ownership.

Mr. President, I believe this legislation represents a common-sense approach to addressing the home ownership disparity which exists and I would hope my colleagues can be supportive.

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

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

S. 1336

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

SECTION 1. SHORT TITLE; FINDINGS; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the ''Home Ownership Tax Credit Act of 1999''.

(b) FINDINGS.—Congress finds the following:

(1) Home ownership is of primary importance in building wealth in low-income families.

(2) 67 percent of the wealth that is owned by non-elderly low-income households consists of the equity in their residences and the median wealth of such non-elderly low-income households is 12 times greater than the median wealth for non-elderly renters with the same level of income.

(3) Only 45 percent of low-income households live in owner-occupied homes, as compared to 66 percent of all households, and 86 percent of high-income households.

(4) According to the Bureau of the Census, in 1993, 88 percent of all renters and 93 percent of renters earning less than $20,000 could not afford a house selling for half of the regional median house price.

(5) There is a 23 percentage point difference in home ownership rates between central cities and suburban cities which is largely the result of the concentration of low-income households in central cities.

(6) The cost of the largest Federal tax incentives for home ownership, the mortgage interest deduction and the real estate tax deduction, is equal to approximately twice the amount of Federal expenditures for direct Federal housing assistance which benefits low-income households.

(7) The mortgage interest deduction and the real estate tax deduction have little value to low-income households because the itemized tax deductions of low-income households generally do not exceed the standard deduction.

(8) Over 90 percent of the total benefits of the mortgage interest deduction accrue to home buyers with incomes greater than $40,000.

(9) Current provisions in the Federal tax code to promote home ownership among low-income households, such as the mortgage revenue bond program, the mortgage credit certificate program, and the low-income housing credit, fail to simultaneously attack the twin constraints of lack of wealth and low income that prevent many low-income households from becoming homeowners.

(c) PURPOSES.—The purposes of this Act are—

(1) to establish a decentralized, market-driven approach to increasing home ownership among low-income households,

(2) to enable low-income households to overcome the wealth and income constraints that frequently prevent such households from becoming homeowners, and

(3) to reduce the disparities in home ownership between low-income households and higher-income households and between central cities and suburban cities.

SEC. 2. HOME OWNERSHIP TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal

Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

"SEC. 45D. HOME OWNERSHIP TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, the amount of the home ownership tax credit determined under this section for any taxable year in the credit period shall be an amount equal to the applicable percentage of the home ownership tax credit amount allocated such taxpayer by a State housing finance agency in the credit allocation year under subsection (b).

''(2) APPLICABLE PERCENTAGE.—For purposes of this section, the Secretary shall prescribe the applicable percentage for any year in which the taxpayer is a qualified lender. Such percentage with respect to any month in the credit period with respect to such taxpayer shall be percentages which will yield over such period amounts of credit under paragraph (1) which have a present value equal to 100 percent of the home ownership tax credit amount allocated such taxpayer under subsection (b).

''(3) METHOD OF DISCOUNTING.—The present value under paragraph (2) shall be determined in the same manner as the low-income housing credit under section 42(b)(2)(C).

''(b) ALLOCATION OF HOME OWNERSHIP TAX CREDIT AMOUNTS.—

''(1) AMOUNT OF CREDIT.—Each qualified State shall receive a home ownership tax credit dollar amount for each calendar year in an amount equal to the sum of—

''(A) an amount equal to—

''(i) 40 cents multiplied by the State population, multiplied by

''(ii) 10, plus

''(B) the unused home ownership tax credit dollar amount (if any) of such State for the preceding year.

''(2) QUALIFIED STATE.—For purposes of this section—

''(A) IN GENERAL.—The term 'qualified State' means a State with an approved allocation plan to allocate home ownership tax credits to qualified lenders through the State housing finance agency.

''(B) APPROVED ALLOCATION PLAN.—For purposes of this paragraph, the term 'approved allocation plan' means a written plan, certified by the Secretary, which includes—

''(i) selection criteria for the allocation of credits to qualified lenders—

''(I) based on a process in which lenders submit bids for the value of the credit, and

''(II) which gives priority to qualified lenders with qualified home ownership tax credit loans which are prepaid during a calendar year, for credit allocations in the succeeding calendar year,

''(ii) an assurance that the State will not allocate in excess of 10 percent of the home ownership tax credit amount for the calendar year for qualified home ownership tax credit loans which are neighborhood revitalization project loans,

''(iii) a procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of this section and in notifying the Internal Revenue Service of such noncompliance with respect to which such agency becomes aware, and

''(iv) such other assurances as the Secretary may require.

''(3) QUALIFIED LENDER.—For purposes of this section, the term 'qualified lender' means a lender which—

''(A) is an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), insured credit union (as defined in section 101 of the Federal Credit Union Act), community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)), or nonprofit community development corporation (as defined in section 613 of the Community Economic Development Act of 1981 (42 U.S.C. 9802)),

''(B) makes available, through such lender or the lender's designee, pre-purchase homeownership counseling for mortgagors, and

''(C) during the 1-year period beginning on the date of the credit allocation, originates not less than 100 qualified home ownership tax credit loans in an aggregate amount not less than the amount of the bid of such lender for such credit allocation.

''(4) CARRYOVER OF CREDIT.—A home ownership tax credit amount received by a State for any calendar year and not allocated in such year shall remain available to be allocated in the succeeding calendar year.

''(5) POPULATION.—For purposes of this section, population shall be determined in accordance with section 146(j).

''(6) COST-OF-LIVING ADJUSTMENT.—

''(A) IN GENERAL.—In the case of a calendar year after 2000, the 40 cent amount contained in paragraph (1)(A)(i) shall be increased by an amount equal to—

''(i) such amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of 5 cents, such amount shall be rounded to the next lowest multiple of 5 cents.

''(c) QUALIFIED HOME OWNERSHIP TAX CREDIT LOAN DEFINED.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified home ownership tax credit loan' means a loan originated and funded by a qualified lender which is secured by a second lien on a residence, but only if—

''(A) the requirements of subsections (d), (e), and (f) are met,

''(B) subject to subparagraphs (F), (H), and (I), the proceeds from such loan are applied exclusively—

''(i) to acquire such residence, or

''(ii) to substantially improve such residence in connection with a neighborhood revitalization project,

''(C) the principal amount of the loan is equal to an amount which is—

''(i) not less than 18 percent of the purchase price of the residence securing the loan, and

''(ii) not more than the lesser of—

''(I) 22 percent of such purchase price, or

''(II) $25,000,

''(D) in the case of a neighborhood revitalization project loan, subparagraph (C) is applied by substituting—

''(i) 'purchase price or appraised value' for 'purchase price', and

''(ii) '$40,000' for '$25,000',

''(E) the loan is—

''(i) amortized over a period of not more than 30 years (or any lesser period of time as determined by the lender or the State housing finance agency (as applicable)), or

''(ii) described in paragraph (2),

''(F) the proceeds of such loan are not used for settlement or other closing costs of the transaction in an amount in excess of 4 percent of the purchase price of the residence securing the loan,

''(G) the rate of interest of the loan does not exceed the greater of—

''(i) the excess of—

''(I) the prime lending rate in effect as of the date on which the loan is originated, over

''(II) 5.5 percent, or

''(ii) 3 percent,

''(H) the origination fee paid with respect to the loan does not cause the aggregate amount of origination fees paid with respect to any loans secured by the residence—

''(i) in the case of a neighborhood revitalization project loan, to exceed 1 percent of the appraised value of the residence which secures the loan, and

''(ii) in the case of any other loan, to exceed 2 percent of the appraised value of such residence, and

''(I) the servicing fees of such loan—

''(i) are allocated from interest payments made with respect to the loan, and

''(ii) may not—

''(I) in the case of a neighborhood revitalization project loan, exceed a total of 38 basis points, and

''(II) in the case of any other loan, when added to such fees of any other loan secured by the residence, exceed a total of 63 basis points.

''(2) BALLOON PAYMENT LOAN.—

''(A) IN GENERAL.—A loan is described in this paragraph if such loan—

''(i) meets the requirements of subparagraphs (B) and (C),

''(ii) is for a period of 25 years and, except as provided in clause (iv), no payment is due on such loan until the sooner of—

''(I) the end of such period, or

''(II) the date on which the residence which secures the loan is disposed of,

''(iii) does not prohibit early repayment of such loan, and

''(iv) requires payment on such loan if the mortgagor receives any portion of the equity of such residence as part of a refinancing of any loan secured by such residence.

''(B) INTEREST.—Notwithstanding paragraph (1)(G), the rate of interest of the loan is zero percent.

''(C) SERVICING FEES.—Notwithstanding paragraph (1)(I), there shall be no servicing fees in connection with the loan.

''(3) INDEX OF AMOUNT.—

''(A) IN GENERAL.—In the case of a calendar year after 2000, the amounts under subparagraphs (C) and (D) of paragraph (1) shall be increased by an amount equal to—

''(i) such amount, multiplied by

''(ii) the housing price adjustment for such calendar year.

''(B) HOUSING PRICE ADJUSTMENT.—For purposes of subparagraph (A), the housing price adjustment for any calendar year is the percentage (if any) by which—

''(i) the housing price index for the preceding calendar year, exceeds

''(ii) the housing price index for calendar year 2000.

''(C) HOUSING PRICE INDEX.—For purposes of subparagraph (B), the housing price index means the housing price index published by the Federal Housing Finance Board (as established in section 2A of the Federal Home Loan Bank Act (12 U.S.C. 1422a)) for the calendar year.

''(d) MORTGAGOR.—

''(1) IN GENERAL.—A loan meets the requirements of this subsection if it is made to a mortgagor—

''(A) whose family income for the year in which the mortgagor applies for the loan is 80 percent or less of the area median gross income for the area in which the residence which secures the mortgage is located,

''(B) for whom the loan would not result in a housing debt-to-income ratio, with respect

to the residence securing the loan, or total debt-to-income ratio which is greater than the guidelines set by the Federal Housing Administration (or any other ratio as determined by the State housing finance agency or lender if such ratio is less than such guidelines), and

''(C) who attends pre-purchase homeownership counseling provided by the qualified lender or the lender's designee.

''(2) DETERMINATION OF FAMILY INCOME.—For purposes of this subsection and subsection (h), the family income of a mortgagor and area median gross income shall be determined in accordance with section 143(f)(2).

''(e) RESIDENCE REQUIREMENTS.—A loan meets the requirements of this subsection if it is secured by a residence that is—

''(1) a single-family residence (including a manufactured home (within the meaning of section 25(e)(10))) which is the principal residence (within the meaning of section 121) of the mortgagor, or can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided,

''(2) purchased by the mortgagor with a down payment in an amount not less than the lesser of—

''(A) 2 percent of the purchase price, or

''(B) $1,000, and

''(3) in the case of a mortgagor with a family income greater than 50 percent of the area median gross income, as determined under subsection (d)(1)(A), not financed in connection with a qualified mortgage issued under section 143.

''(f) DEFINITION AND SPECIAL RULES RELATING TO CREDIT PERIOD.—

''(1) CREDIT PERIOD DEFINED.—For purposes of this section, the term 'credit period' means the period of 10 taxable years beginning with the taxable year in which a home ownership tax credit amount is allocated to the taxpayer.

''(2) SPECIAL RULE FOR 1ST YEAR OF CREDIT PERIOD.—

''(A) IN GENERAL.—The credit allowable under subsection (a) with respect to any taxpayer for the 1st taxable year of the credit period shall be determined by substituting for the applicable percentage under subsection (a)(2) the fraction—

''(i) the numerator of which is the sum of the applicable percentages determined under subsection (a)(2) as of the close of each full month of such year, during which the taxpayer was a qualified lender, and

''(ii) the denominator of which is 12.

''(B) DISALLOWED 1ST YEAR CREDIT ALLOWED IN 11TH YEAR.—Any reduction by reason of subparagraph (A) in the credit allowable (without regard to subparagraph (A)) for the 1st taxable year of the credit period shall be allowable under subsection (a) for the 1st taxable year following the credit period.

''(3) DISPOSITION OF HOME OWNERSHIP TAX CREDIT LOANS.—If a qualified home ownership tax credit loan is disposed of during any year for which a credit is allowable under subsection (a), such credit shall be allocated between the parties on the basis of the number of days during such year the mortgage was held by each and the portion of the total credit allocated to the qualified lender which is attributable to such mortgage.

''(g) LOSS OF CREDIT.—If, during the taxable year, a qualified home ownership tax credit loan is repaid prior to the expiration of the credit period with respect to such loan, the amount of the home ownership tax credit attributable to such loan is no longer available under subsection (a). For purposes of the preceding sentence, the tax credit is allowable for the portion of the year in which such repayment occurs for which the loan is outstanding, determined in the same manner as provided in subsection (f)(2)(A).

''(h) RECAPTURE OF PORTION OF FEDERAL SUBSIDY FROM HOME-OWNER.—

''(1) IN GENERAL.—If, during the taxable year, any taxpayer described in paragraph (3) disposes of an interest in a residence with respect to which a home ownership tax credit amount applies, then the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 50 percent of the gain (if any) on the disposition of such interest.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any disposition—

''(A) by reason of death,

''(B) which is made on a date that is more than 10 years after the date on which the qualified home ownership tax credit loan secured by such residence was made, or

''(C) in which the purchaser of the residence assumes the qualified home ownership tax credit loan secured by the residence.

''(3) INCOME LIMITATION.—A taxpayer is described in this paragraph if, on the date of the disposition, the family income of the mortgagor is 115 percent or more of the area median gross income as determined under subsection (d)(1)(A) for the year in which the disposition occurs.

''(4) SPECIAL RULES RELATING TO LIMITATION ON RECAPTURE AMOUNT BASED ON GAIN REALIZED.—For purposes of this subsection, rules similar to the rules of section 143(m)(6) shall apply.

''(5) LENDER TO INFORM MORTGAGOR OF POTENTIAL RECAPTURE.—The qualified lender which makes a qualified home ownership tax credit loan to a mortgagor shall, at the time of settlement, provide a written statement informing the mortgagor of the potential recapture under this subsection.

''(6) SPECIAL RULES.—For purposes of this subsection, rules similar to the rules of section 143(m)(8) shall apply.

''(i) OTHER DEFINITIONS.—

''(1) NEIGHBORHOOD REVITALIZATION PROJECT LOAN.—

''(A) IN GENERAL.—The term 'neighborhood revitalization project loan' means a loan secured by a second lien on a residence, the proceeds of which are used to substantially improve such residence in connection with a neighborhood revitalization project.

''(B) NEIGHBORHOOD REVITALIZATION PROJECT.—The term 'neighborhood revitalization project' means a project of sufficient size and scope to alleviate physical deterioration and stimulate investment in—

''(i) a geographic location within the jurisdiction of a unit of local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other documents as a neighborhood, village, or similar geographic designation, or

''(ii) the entire jurisdiction of a unit of local government if the population of such jurisdiction is not in excess of 25,000.

''(2) STATE.—The term 'State' includes a possession of the United States.

''(3) STATE HOUSING FINANCE AGENCY.—The term 'State housing finance agency' means the public agency, authority, corporation, or other instrumentality of a State that has the authority to provide residential mortgage loan financing throughout the State.

''(j) CERTIFICATION AND OTHER REPORTS TO THE SECRETARY.—

''(1) CERTIFICATION WITH RESPECT TO STATE ALLOCATION OF HOME OWNERSHIP TAX CREDITS.—The Secretary may, upon a finding of noncompliance, revoke the certification of a qualified State and revoke any qualified home ownership tax credit amounts allocated to such State or allocated by such State to a qualified lender.

''(2) ANNUAL REPORT FROM HOUSING FINANCE AGENCIES.—Each State housing finance agency which allocates any home ownership tax credit amount to any qualified lender for any calendar year shall submit to the Secretary (at such time and in such manner as the Secretary shall prescribe) an annual report specifying—

''(A) the home ownership tax credit amount allocated to each qualified lender for such year, and

''(B) with respect to each qualified lender—

''(i) the principal amount of the aggregate qualified home ownership tax credit loans made by such lender in such year and the outstanding amount of such loans in such year, and

''(ii) the number of qualified home ownership tax credit loans made by such lender in such year.

The penalty under section 6652(j) shall apply to any failure to submit the report required by this paragraph on the date prescribed therefore.

''(k) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(b) LIMITATION ON CARRYBACK OF UNUSED CREDIT.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF HOME OWNERSHIP TAX CREDITS BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the home ownership tax credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''

(c) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''plus'' at the end of paragraph (11),

(B) by striking the period at the end of paragraph (12), and inserting '', plus'', and

(C) by adding at the end the following:

''(13) the home ownership tax credit determined under section 45D.''

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45D. Home ownership tax credit.''

(d) EFFECTIVE DATE.—The amendments made by this section apply to calendar years after 1999.

SUMMARY OF THE HOME OWNERSHIP TAX CREDIT ACT

Bill Summary: Under this legislation, each year the federal government would issue home ownership tax credits to state housing finance agencies (HFAs). State HFAs would then auction these credits off to lenders such as banks, thrifts, community development financial institutions, and community development corporations. Lenders purchasing the tax credits would commit to extending either: 1) zero-interest balloon second mortgages that are due in 25 years or upon the sale of the home, or 2) very low-interest rate second mortgages that amortize in 30 years. These second mortgages would reduce the size of the first mortgage and ultimately reduce monthly mortgage costs. The aggregate principal amount of second mortgages made

by each lender would be equal to the price the lender paid for the tax credits. Also, the lender would commit to making at least 100 home ownership tax credit loans.

The lender would receive the tax credit annually for 10 years or until the loan was paid off, whichever occurred earlier. If a home ownership tax credit mortgage was prepaid during the 10-year tax credit period, the lender would have priority in the issuance of tax credits in the subsequent year.

The lender would get its principal back when the second mortgage amortized, balloon payment came due, or the house was sold. Lenders also would be able to sell the tax credit mortgages on the secondary market with the tax credits being transferred to secondary market investors.

Only borrowers earning up to 80 percent of the area median income would qualify to take advantage of the home ownership tax credit program. These second mortgages could be between 18 and 22 percent of the purchase price of the home, up to $25,000. The second mortgage could be up to $40,000 if used in areas formally targeted for neighborhood revitalization.

Under this proposal, families earning at little at $14,500 would be able to become home owners.

Example: The following example indicates how this proposal would work:

A low-income family identifies a $100,000 home that it wants to purchase. The potential home buyers would visit a lender participating in the tax credit program. Let's assume that the lender would agree to extend a $81,000 first mortgage to the home buyer. Under the tax credit program, the home buyer would only be required to make a $1,000 down payment. Assuming that the home buyer met the eligibility requirements of the home ownership tax credit program, the lender would also agree to extend an $18,000 second mortgage (In the alternative, the home buyer could get the first and second mortgages from different lenders). Closing costs of up to $4,000 could be financed into the second mortgage, increasing the second mortgage amount to $22,000.

If the second mortgage was a zero-interest 25-year balloon, the home buyer would only pay principal, interest, taxes, and insurance on the $81,000 first mortgage for 25 years, or until sale of the home (approximately $540/month at 7 percent interest, plus taxes and insurance). Assuming that the home buyer stayed in the home, at the end of 25 years, he/she could refinance using his/her accumulated equity to repay most or all of the $22,000 they owed on the balloon mortgage.

In sum, this proposal will allow a low-income family to purchase a $100,000 home with a $1000 down payment and a monthly mortgage payment of $540 (plus taxes and insurance) throughout most of the life of the first mortgage.

By Mr. GRASSLEY (for himself, Mr. SESSIONS, and Mr. KYL):

S. 1337. A bill to provide for the placement of anti-drug messages on appropriate Internet sites controlled by NASA; to the Committee on Commerce, Science, and Transportation.

ANTI-DRUG MESSAGES ON NASA INTERNET CONTROLLED SITES

Mr. GRASSLEY. Mr. President, today, I am introducing legislation along with Senator SESSIONS and Senator KYL to help in sending our young people a no-use message on drugs. This parallels efforts in the House by Congressman MATT SALMON and it is supported by NASA.

The average age of our young people who first use illegal drugs is 16 and the age of first use is dropping. We need to reverse this trend and prevent drug use among young people. An easy way of contacting them is at our finger tips. NASA's web sites are among the most visited government sites. Thousands of schools have programs that include NASA's web sites in their curriculum. I believe it is important to reach out to those young people. Here is a chance to reach millions of young people at no added expense to the taxpayer.

In this bill the NASA administration must work with the Office of National Drug Control Policy to add anti-drug messages on NASA's web sites. With our young people being bombarded by images of violence and drugs from films and TV, this is a way to get the anti-drug message to our children at a young age through a location that we know a large number will see. I urge my colleagues to join me in this effort and support this bill.

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

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

S. 1337

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

SECTION 1. ANTI-DRUG MESSAGES ON INTERNET SITES.

Not later than 90 days after the date of enactment of this Act, the Administrator of the National Aeronautics and Space Administration, in consultation with the Director of the Office of National Drug Control Policy, shall place anti-drug messages on appropriate Internet sites controlled by the National Aeronautics and Space Administration.

By Mr. MURKOWSKI (by request):

S. 1338. A bill entitled the ''Military Lands Withdrawal Act of 1999''; to the Committee on Energy and Natural Resources.

MILITARY LANDS WITHDRAWAL ACT OF 1999

Mr. MURKOWSKI. Mr. President, I send to the desk the Military Lands Withdrawal Act of 1999. I am introducing this legislation on behalf of the Administration. At this point I am neither prepared to support nor object to any of the specific provisions contained within this legislative proposal. It is my intention however, to hold hearings on this important legislation and the withdrawal renewals contained within it. After those hearings have been held and we have had the benefit of input from the parties most effected by the withdrawals, I am prepared to offer an amendment in the nature of a substitute which makes such needed changes as are identified during the hearing process.

This legislation renews the withdrawals contained within P.L. 99–606, enacted by Congress in 1986. This Congressional action withdrew 7.2 million acres of public land for use by the Department of Defense at six installations. The affected bases are the Barry M. Goldwater Air Force Range in Arizona, Nellis Air Force Base and Naval Air Station Fallon in Nevada, the McGregor Army Range in New Mexico, and Fort Wainwright and Fort Greely in my home state of Alaska. These withdrawals were for a period of 15 years and expire in 2001.

I have a deep abiding recognition of the unique and critical role all of these military bases play in our national defense strategy and on the economies of the states within which they are located. However, I also understand that the issues surrounding the renewal of these withdrawals are complex and varied. Congress's ability to resolve these issues will ultimately define success or failure for this entire round of withdrawals. What we do here will have a lasting impact on these bases military mission, their local economies, and the environmental protection of the public lands. It is my firm belief that only through the Congressional hearing process can the concerns of all affected parties be recorded and factored into the renewal of these base withdrawals.

I am committed to the prompt consideration of this legislation. However, taking into consideration the fact that these withdrawals do not expire until 2001, I believe it is prudent that we move this legislation at a pace which allows both the public and our colleagues the opportunity to participate in a meaningful way and in the proper forum.

By Mr. DURBIN:

S. 1339. A bill to provide for the debarment or suspension from Federal procurement and nonprocurement activities of persons that violate certain labor and safety laws; to the Committee on Governmental Affairs.

FEDERAL PROCUREMENT AND ASSISTANCE INTEGRITY ACT

Mr. DURBIN. Mr. President, I am pleased today to introduce legislation to improve the efficiency and protect the integrity of Federal procurement and assistance programs, by ensuring that the Federal Government does business with responsible contractors and participants

The United States General Accounting Office [GAO] has found that billions of dollars in Federal procurement contracts and assistance are going to individuals and corporations which are violating our nation's labor and employment laws. In 1995, the GAO reported that more than $23 billion in Federal contracts were awarded in fiscal year 1993 to contractors who violated labor laws. That is 13 percent of the $182 billion in Federal contracts awarded that

year. Part of the reason for this, the GAO found, is that the National Labor Relations Board, which enforces our nation's labor laws, does not know whether violators of the law are receiving Federal contracts. And the General Services Administration, which oversees Federal procurement, does not know the labor relations records of Federal contractors.

In 1996, the GAO reported that $38 billion in Federal contracts in fiscal year 1994 were awarded to contractors who had violated workplace health and safety laws. That is 22 percent of the $176 billion in Federal contracts of $25,000 or more which were awarded that year. The GAO found that 35 people died and 55 more people were hospitalized in fiscal year 1994 as a result of injuries at the workplaces of federal contractors who violated health and safety laws. These contractors were assessed a total of $10.9 million in penalties in fiscal year 1994—while being awarded $38 billion in Federal contracts.

The GAO concluded that, although federal agencies have the authority to deny contracts and federal assistance to companies that violate Federal laws, this authority is rarely used in the case of safety and health violations. The GAO found that federal agencies do not normally collect or receive information about which contractors are violating health and safety laws—even when contractors have been assessed large penalties for egregious or repeat violations.

The Federal Government should not ignore the health and safety records of companies that apply for federal contracts and assistance. A report published this week in the Archives of Internal Medicine concludes that job-related injuries and illnesses in the United States are more common than previously thought, costing the nation more than AIDS, Alzheimer's, cancer or heart disease. The report, which analyzed national estimates of job-related illnesses and injuries in 1992, states that more than 13 million Americans were injured from job-related causes in just one year—more than four times the number of people who live in the City of Chicago. The report concluded that the cost to our country from workplace injuries and illnesses was $171 billion in 1992.

The Federal Government has a responsibility to taxpayers, working Americans and law-abiding businesses, to ensure that federal tax dollars do not go to individuals and corporations that violate safety and health, labor and veterans' employment preference laws. About 26 million Americans are employed by federal contractors and subcontractors. They deserve to know that their Government is not rewarding employers who violate the laws that protect American workers and veterans. The legislation I am introducing today will improve the enforcement of our nation's health and safety, labor and veterans' employment laws, and provide an incentive to contractors to comply with the law. This legislation will allow the Secretary of Labor to debar or suspend a person from receiving Federal contracts or assistance for violating the National Labor Relations Act, the Fair Labor Standards Act, the Occupational Safety and Health Act or the disabled and Vietnam-era veterans hiring preference law. It will require the Secretary of Labor and the National Labor Relations Board to develop procedures to determine whether a violation of law is serious enough to warrant debarment or suspension. And, as recommended by the GAO, this legislation will require ongoing exchanges of information among Federal agencies to improve their ability to enforce our nation's laws. This legislation is identical to a bill introduced in the House of Representatives by Congressman Lane Evans of Illinois, and it is similar to legislation introduced in previous years by former Senator Paul Simon.

Mr. President, it is important to note that the vast majority of Federal contractors obey the law. This legislation is only directed at those who are violating the law. It will deny Federal contracts and assistance to individuals and companies that violate the law and ensure that Federal contracts are awarded to companies that respect the law.

I urge my colleagues to join me in supporting this legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1339

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 ''Federal Procurement and Assistance Integrity Act''.

SEC. 2. PURPOSE.

The purpose of this Act is to improve the efficiency and effectiveness and protect the integrity of the Federal procurement and assistance systems by ensuring that the Federal Government does business with responsible contractors and participants.

SEC. 3. DEBARMENT AND SUSPENSION FOR VIOLATORS OF CERTAIN LABOR AND SAFETY LAWS.

(a) DEBARMENT AND SUSPENSION.—The Secretary of Labor may debar or suspend a person from procurement activities or nonprocurement activities upon a finding, in accordance with procedures developed under this section, that the person violated any of the following laws:

(1) The National Labor Relations Act (29 U.S.C. 151 et seq.).

(2) The Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

(3) The Occupational Safety and Health Act (29 U.S.C. 651 et seq.).

(4) Section 4212(a) of title 38, United States Code.

(b) PROCEDURES.—The Secretary of Labor and the National Labor Relations Board shall jointly develop procedures to determine whether a violation of a law listed in subsection (a) is serious enough to warrant debarment or suspension under that subsection. The procedures shall provide for an assessment of the nature and extent of compliance with such laws, including whether there are or were single or multiple violations of those laws or other labor or safety laws and whether the violations occur or have occurred at one facility, several facilities, or throughout the company concerned. In developing the procedures, the Secretary and the Board shall consult with departments and agencies of the Federal Government and provide, to the extent feasible, for ongoing exchanges of information between the departments and agencies and the Department of Labor and the Board in order to accurately carry out such assessments.

(c) DEFINITIONS.—In this section:

(1) DEBAR.—The term ''debar'' means to exclude, pursuant to established administrative procedures, from Federal Government contracting and subcontracting, or from participation in nonprocurement activities, for a specified period of time commensurate with the seriousness of the failure or offense or the inadequacy of performance.

(2) NONPROCUREMENT ACTIVITIES.—The term ''nonprocurement activities'' means all programs and activities involving Federal financial and nonfinancial assistance and benefits, as covered by Executive Order No. 12549 and the Office of Management and Budget guidelines implementing that order.

(3) PROCUREMENT ACTIVITIES.—The term ''procurement activities'' means all acquisition programs and activities of the Federal Government, as defined in the Federal Acquisition Regulation.

(4) SUSPEND.—The term ''suspend'' means to disqualify, pursuant to established administrative procedures, from Federal Government contracting and subcontracting, or from participation in nonprocurement activities, for a temporary period of time because an entity or individual is suspected of engaging in criminal, fraudulent, or seriously improper conduct.

(d) EFFECTIVE DATE.—This Act shall take effect on October 1, 1999.

(e) REGULATIONS.—The Federal Acquisition Regulation and the regulations issued pursuant to Executive Order No. 12549 shall be revised to include provisions to carry out this Act.

(f) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Labor and the National Labor Relations Board shall jointly submit to Congress a report on the implementation of this Act.

By Mrs. LINCOLN:

S. 1340. A bill to redesignate the ''Stuttgart National Aquaculture Research Center'' as the ''Harry K. Dupree Stuttgart National Aquaculture Research Center''; to the Committee on Agriculture, Nutrition, and Forestry.

HARRY K. DUPREE STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER

Mrs. LINCOLN. Mr. President, I offer for the Senate's consideration, a bill to rename the Stuttgart National Aquaculture Research Center after a man that has been essential to the success of the aquaculture industry in Arkansas: Dr. Harry K. Dupree.

Dr. Dupree has devoted his entire career to the progress of the warmwater fish industry. In Arkansas, aquaculture

production has taken great strides in recent years. The catfish industry in the state has grown rapidly and Arkansas currently ranks second nationally in acreage and production of catfish. The baitfish industry is not far behind, selling more than 15 million pounds of fish annually. Much of this success is due to the ongoing efforts of Dr. Harry Dupree.

The early years of Dr. Dupree's career were spent in Alabama. Harry received his master's in fisheries management from Auburn University in 1956 and his Ph.D. in Zoology in 1960. From 1960 to 1974, Harry served as both a Research Biologist and Laboratory Director at the Southeastern Fish Cultural Laboratory in Marion, Alabama. There, Dr. Dupree focused his efforts on catfish research and established the major elements required for a manufactured feed for channel catfish. His research activities led to the formulation of pelleted feed for catfish production and made it possible for catfish production to move from a small, labor intensive industry of local interest to a streamlined industry with potential for expansion on the national and international level.

Arkansas was fortunate enough to lure Dr. Dupree to the Fish Farming Experimental Laboratory in Stuttgart, Arkansas, during 1974 where he served as Scientific Director for the next 18 years. His efforts, dating back to before 1985, resulted in funding for design and construction of the new laboratories and offices for the facilities on the campus of the Stuttgart National Aquaculture Research Center. These facilities were constructed in 1992 and Dr. Dupree has served as the Laboratory Director for the center ever since.

I first met Harry during my tenure as Representative of the First Congressional District of Arkansas. I'll never forget the enthusiasm and genuine interest Harry displayed as he showed me around the research center that he had worked so hard to establish. I, and many others, share many fond memories and great gratitude for the wonderful friendship and great work of Dr. Harry Dupree. The pride that he has exhibited and has instilled in all Arkansans for the science industry of Aquaculture has been tremendous.

Dr. Dupree is a great man with a huge heart. I urge my colleagues to act promptly on this legislation so that Dr. Harry K. Dupree will receive the recognition that he truly deserves.

Mr. President, at this point I ask unanimous consent that letters of support for this bill be included in the RECORD from constituents and aquaculture associations across Arkansas.

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

THE SENATE,
STATE OF ARKANSAS,
June 22, 1999.

Hon. BLANCHE LAMBERT LINCOLN,
Washington, DC.

DEAR SENATOR LINCOLN: I am writing to submit my letter of support for proposed legislation naming the USDA Fish Farming Laboratory in Stuttgart after Dr. Harry Dupree.

As you know, you and I have served together with Dr. Dupree on the Arkansas Delta Council and Foundation. Dr. Dupree has served Delta Council since its formation in 1990, and more recently as Treasurer. More importantly, Dr. Dupree has been the central figure in the development of the Fish Farming Laboratory since the beginning. When I was an aide to Senator Bumpers, I recall meeting Dr. Dupree for the first time at the annual U.S. Senate Catfish Fry in the Russell Senate Office Building. He was busy telling everyone he could find about the importance of the mission for the fish lab, and why it needed more funding. Years later, Harry and I became close friends when I moved to Stuttgart, and I witnessed his many efforts as the chief champion of a new lab and mission at USDA. Everything that is associated with the fish lab is due at one level or another to the efforts of Dr. Harry Dupree.

Therefore, I can speak with complete authority when I say that our constituents here in Arkansas County, and in the aquaculture field, fully support the naming of this facility after Dr. Dupree. I can think of no more fitting name for this lab. Indeed, it is every bit as much an honor for USDA, this center and for Arkansas County to have this named after Dr. Dupree as it is an honor for Dr. Dupree.

Finally, I would ask that these comments, along with the other comments you are receiving about Dr. Dupree, be listed in the Congressional Record. I believe it would be a fitting tribute for him, his wife Ruth, and for his hard work and dedicated public service.

Thank you for your consideration of this request, and I trust that all is well with you in Washington.

Sincerely,

KEVIN A. SMITH.

ADFA,
June 23, 1999.

Hon. BLANCHE LINCOLN,
Washington, DC.

DEAR SENATOR LINCOLN: I want to express my full support for legislation that would change the name of the Stuttgart National Aquaculture Research Center to the Harry K. Dupree Stuttgart National Aquaculture Research Center.

Dr. Harry K. Dupree has devoted his professional career to the advancement of warmwater fish culture; first as a research scientist in fish nutrition and later in administration of research while continuing with research. Early in his career his research established the major elements required for a manufactured feed for channel catfish. This work included the establishment of amino acid requirements of channel catfish, highlighting those that are considered ''essential'', and testing many types of proteins for their usefulness as primary amino acid sources. Dr. Dupree contributed to the establishment of the vitamin requirements of channel catfish, working specifically with vitamin E, vitamin A, and beta carotene. Research on sources of oil for formulating channel catfish diets led to the understanding of the lipid requirements for commercial production.

Dr. Dupree's research helped establish the form and formulation of manufactured feed most readily accepted by channel catfish. With his studies of the feeding habits of cultured catfish, helped determine the quality of feed needed at different stages of development, the digestibility of feeds of different compositions, and the quantity and timing of feeding for maximum pond production. His research activities led to the formulation of pelleted feed for catfish production and made it possible for catfish production to move from a small, labor intensive industry of local interest to a streamlined industry with potential for expansion on the national and international level. Dr. Dupree has written extensively on the subject of fish nutrition and is a recognized authority on warmwater fish nutrition.

Dr. Dupree's research in other areas of fish biology illustrates the breadth of his interest and abilities. His work on immunity and with the immune response of paddlefish, gar, and channel catfish lead to a better understanding of basic systems of immunity. His research on hormone induction of ovulation of goldfish led to modern day standard procedures now employed in spawning these and other species of fish. Other research has included pesticide analysis of Channel catfish and work with karyology of grass carp that led to modern methods for determining the difference between diploids and triploids.

In 1984, Dr. Dupree was responsible for editing ''The Third Report to the Fish Farmer'' and for revising or writing a large part of the publication. ''The Third Report'' is a comprehensive review of most aspects of warmwater aquaculture and is one of the most popular publications released by the U.S. Fish and Wildlife Service; 17,500 copies have been printed and most have been distributed to satisfy or through GPO sales.

Dr. Dupree is largely responsible for the laboratories, offices and research buildings that are now at the Stuttgart National Aquaculture Research Center. His efforts, dating back to before 1985, resulted in funding for design and construction of the new laboratories and offices and it is because of his efforts that the laboratory exists today. His efforts are continuing as he expands the facilities available for the growing research staff that he has fought to gain funding for.

I have been involved with aquaculture for 30 years, first as a fish farmer and for the last 8 years as the State Aquaculture Coordinator. I don't know of anyone who has contributed as much to the aquaculture industry as Dr. Harry Dupree.

I have talked to people in many states that are very supportive of this name change and feel that Dr. Dupree is very worthy of the honor.

Sincerely,

TED MCNULTY,
State Aquaculture Coordinator, ADFA.

UNIVERSITY OF ARKANSAS,
DIVISION OF AGRICULTURE,
June 30, 1999.

Hon. BLANCHE LINCOLN,
United States Senate, Washington, DC.

DEAR SENATOR LINCOLN: It is an honor and a pleasure to support renaming of the Stuttgart National Aquaculture Research Center in Stuttgart, Arkansas the Harry K. Dupree—Stuttgart National Aquaculture Research Center. It is a fitting tribute to a man who had a vision for what the Center could be and then devoted his professional career to making it a reality for the benefit of fish farmers and the fish industry throughout the country.

If ever a person personifies dedication, it is Dr. Dupree. He takes tremendous pride in the people, facilities, and programs that make up the Stuttgart Center. For nearly forty years, the Stuttgart Center has guided and championed the warmwater aquaculture industry. For twenty-five of those years, Dr. Dupree has been at the helm. Today thriving, vibrant industry is a legacy of both the Center and the leadership and devotion provided by Dr. Dupree.

I am proud to call Harry Dupree a friend and express my deep gratitude for being given this opportunity to honor our friendship and his career.

Sincerely,

MILO J. SHULT,
Vice President for Agriculture.

KEO FISH FARM, INC.,
Keo, AR, June 21, 1999.

Sen. BLANCH LINCOLN,
United States Senate, Washington, D.C. 20510

DEAR SENATOR LINCOLN: As I discussed earlier with you, Keo Fish Farm, Inc. would consider it most appropriate for the Stuttgart Fish Farming Experiment Station to be re-named after its long-time Director, Dr. Harry K. Dupree. I believe you will find widespread support among Arkansas' fish farmers for such action.

Sincerely,

MIKE FREEZE.

By Mr. DORGAN (for himself, Mr. LOTT, Mr. DASCHLE, Mr. NICKLES, Mr. REID, Mr. MURKOWSKI, Mr. CONRAD, Mr. BREAUX, Mr. GRAHAM, Mr. KERREY, Mr. HAGEL, Mr. HARKIN, Mr. DURBIN, Mr. SCHUMER, Mr. COCHRAN, Mr. CRAIG, Mr. BROWNBACK, Mr. WELLSTONE, Mr. EDWARDS, Mr. CAMPBELL, Mr. JOHNSON, Mr. BINGAMAN, Mr. MACK, Mr. DOMENICI, Mr. BENNETT, Mr. SANTORUM, and Mr. LEAHY):

S. 1341. A bill to amend the Internal Revenue Code of 1986 to expand the applicability of section 179 which permits the expensing of certain depreciable assets; to the Committee on Finance.

MAIN STREET BUSINESS INCENTIVE ACT OF 1999

• Mr. DORGAN. Mr. President, today I'm joined by Senators LOTT, DASCHLE, NICKLES, REID, MURKOWSKI, and twenty-one other distinguished colleagues in introducing the ''Main Street Business Incentive Act of 1999,'' which addresses a gap in the current law that is impeding the improvement of many of our small town Main Street businesses. Specifically, the bill would raise the income tax expensing provision for small businesses in current law from $19,000 to $25,000 this year. The bill also would expand the provision to cover investments in commercial buildings and structural improvements.

Mr. President, small businesses are the economic anchors of Main Streets in small and large communities throughout our country. They provide jobs, sponsor local charities and little league teams, and enable people to purchase their daily necessities without driving long distances. Without small businesses, we wouldn't have communities, which is why Congress has adjusted the tax laws in numerous ways over the years to encourage investments that enable them to grow and thrive.

For example, many businesses have to depreciate the cost of new equipment purchases—which is to say, they deduct these costs over a long period of years. Small businesses, by contrast, can ''expense'' up to $19,000 in purchases of such assets. They deduct the cost entirely in the first year. That maximum amount will increase to $25,000 in year 2003. This tax provision is helpful to many small businesses because it enables them to write off the investment immediately and so bolsters their cash flow.

However, this expensing provision is not as helpful as it could be and needs to be. Specifically, it does not include investments that small businesses make in improving the store front or the building in which they conduct their business. In many small towns, the local drug store, shoe store or grocery store doesn't have much need of new equipment. But it does need to improve the store front or the interior, and generally spruce things up.

Such investments are good for our Main Streets. They improve the appearance of both the business and the town. Yet under today's tax law, if a small business owner improves his storefront, he has to spread the cost of the investments for tax purposes over 39 years, which is the depreciation schedule for commercial real estate. The result is a large economic hurdle for many of these small businesses.

There are Main Streets all across our country that were built or refurbished thirty, forty or fifty years ago and now need investment and improvement. The Tax Code should encourage this. A simple way to accomplish it is to allow the expensing of up to $25,000, not only for equipment and machinery, but also for small business investments in store fronts and business locations. The motel, the gas station, the hardware store or barber shop ought to be able to ''expense'' that amount of investment in their property. That's what my legislation provides.

This would be a significant benefit to America's small business and I think would result in a significant improvement in America's communities and main streets. This legislation is supported by a number of small business-oriented trade groups including the National Federation of Independent Business (NFIB), NFIB-North Dakota, the Small Business Legislative Council, the North Dakota Association of Realtors and National Association of Realtors.

I urge my colleagues to cosponsor this much-needed legislation.•

By Mr. ALLARD:

S. 1342. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

LEGISLATION TO REPEAL THE FEDERAL DEATH TAX

• Mr. ALLARD. Mr. President, today I am introducing legislation to repeal the federal death tax, otherwise known as the estate and gift tax. I ask unanimous consent that the text of the bill be printed in the RECORD. I also ask unanimous consent that Colorado Senate Joint Memorial 99–004, approved by the Colorado Legislature be printed in the RECORD. This memorial resolution urges the immediate repeal of the Federal estate and gift tax. Finally, I ask that an article I recently wrote on this topic be printed in the RECORD.

The material follows:

S. 1342

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

SECTION 1. REPEAL OF FEDERAL TRANSFER TAXES.

(a) IN GENERAL.—Subtitle B of the Internal Revenue Code of 1986 is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after the date of enactment of this Act.

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or the Secretary's delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1986 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

TIME TO END THE ESTATE TAX

(By Senator Wayne Allard)

As we approach the new millennium a consensus has emerged in favor of significant tax reform. While some prefer the flat tax, others advocate the sales tax. A third camp argues that Congress should avoid a complete overhaul and instead work to improve the existing system. Whatever path is chosen, it should include elimination of the federal estate and gift tax. Repeal of the estate tax is the first step toward a fairer and flatter tax system.

Congress has levied estate taxes at various times throughout U.S. history, particularly during war. The current estate tax dates back to 1916, a time when many in Congress were looking for ways to redistribute some of the wealth held by a small number of super-rich families. This first permanent estate tax had a top rate of only 10 percent, and the threshold was high enough to ensure that the tax effected only a tiny fraction of the population.

Like the rest of our tax code, it did not take long for this limited tax to evolve into a more substantial burden. In only the second year of the tax, the top rate was increased to 25 percent. By 1935 the top rate was 70 percent and in 1941 it reached an all time high of 77 percent.

While income tax rates have declined in recent decades, estate taxes have remained high. Today, the top estate tax rate is 55 percent (a top marginal rate of 60 percent is

paid by some estates), and the tax is imposed on amounts above the 1999 exemption level of $650,000 (value above $650,000 is taxed at an initial rate of 37%).

Generally, the value of all assets held at death is included in the estate for purposes of assessing the tax—this includes residences, business assets, stocks, bonds, savings, personal property, etc. Estate tax returns are due within nine months of the decedent's death (a six-month extension is available) and with the exception of certain closely held businesses, the tax is due when the return is filed. The tax is paid by the estate rather than by the beneficiary (in contrast to an inheritance tax).

The 1997 tax bill increased the unified estate and gift tax exemption from $600,000 to $1 million. However, this is done very gradually and does not reach the $1 million level until 2006. The bill also increased the exemption amount for a qualified family owned business to $1.3 million. While both actions are a good first step, they barely compensate for the effects of inflation. The $600,000 exemption level was last set in 1987, just to keep pace with inflation the exemption should have risen to $850,000 by 1997. Incremental improvements help, but we need more substantial reform.

The United States retains among the highest estate taxes in the world. Among industrial nations, only Japan has a higher top rate than the U.S. But Japan's 70 percent applies to an inheritance of $16 million or more. The U.S. top rate of 55% kicks in on estates of $3 million or more. France, the United Kingdom, and Ireland all have top rates of 40%, and the average top rate of OECD countries is only 29%. Australia, Canada, and Mexico presently have no estate taxes.

The strongest argument that supporters of the estate tax make is that most American families will never have to pay an estate tax. While this is true, it does not justify retention of a tax that causes great harm to family businesses and farms, often constitutes double taxation, limits economic growth, consumes significant resources in unproductive tax compliance activities, and raises only a tiny portion of federal tax revenues. In other words, the estate tax is not worth all the trouble.

The estate tax can destroy a family business. This is the most disturbing aspect of the tax. No American family should lose its business or farm because of the estate tax. Current estimates are that more than 70 percent of family businesses do not survive the second generation, and 87 percent do not survive the third generation. While there are many reasons for these high numbers, the estate tax is certainly one of them. The estate tax fails to distinguish between cash and non-liquid assets, and since family businesses are often asset-rich and cash poor, they can be forced to sell assets in order to pay the tax. This practice can destroy the business outright, or leave it so strapped for capital that long-term survival is jeopardized. Similarly, more and more large ranches and farms are facing the prospect of breakup and sale to developers in order to pay the estate tax. In addition to destroying a family business, this harms the environment.

Recently, the accounting firm Price Waterhouse calculated the taxable components of 1995 estates. While 21 percent of assets were corporate stock and bonds, and another 21 percent were mutual fund assets, fully 32 percent of gross estates consisted of "business assets" such as stock in closely held businesses, interests in non-corporate businesses and farms, and interests in limited partnerships. In larger estates this portion rose to 55 percent. Clearly, a substantial portion of taxable estates consist of family businesses.

The National Center for Policy Analysis reports that a 1995 survey by Travis Research Associates found that 51 percent of family businesses would have significant difficulty surviving the estate tax, and 30 percent of respondents said they would have to sell part or all of their business. This is supported by a 1995 Family Business Survey conducted by Matthew Greenwald and Associates which found that 33 percent of family businesses anticipate having to liquidate or sell part of their business to pay the estate tax.

While some businesses are destroyed by the estate tax, many more expend substantial resources in tax planning and compliance. Those that survive the estate tax often do so by purchasing expensive insurance. A 1995 Gallup survey of family firms found that 23 percent of the owners of companies valued at over $10 million pay $50,000 or more per year in insurance premiums on policies designed to help them pay the eventual tax bill. The same survey found that family firms estimated they had spent on average over $33,000 on lawyers, accountants and financial planners over a period of 6.5 years in order to prepare for the estate tax.

In fact, one of the great ironies of the estate tax is that an extensive amount of tax planning can very nearly eliminate the tax. This results in a situation where the very wealthy can end up paying less estate tax than those of more modest means. As noted above, life insurance can play a big role in estate planning, but there are also mechanisms such as qualified personal residence trusts, charitable remainder trusts, charitable lead trusts, generation-skipping trusts, and the effective use of annual gifts. While these mechanisms may reduce the tax, they waste resources that could be put to much better use growing businesses and creating jobs.

One of the tenets of a fair tax system is that income is taxed only once. Income should be taxed when it is first earned or realized, it should not be repeatedly re-taxed by government. The estate tax violates this tenet. At the time of a person's death, much of their savings, business assets, or farm assets have already been subjected to federal, state, and local tax. These same assets are then taxed again under the estate tax. Price Waterhouse has calculated that those families that will be liable for the estate tax face the prospect of nearly 73 percent of every dollar being taxed away.

Repeal of the estate tax would benefit the economy. Without the estate tax, greater business resources could be put toward productive economic activities. Recently, the Center for the Study of Taxation commissioned George Mason University Professor Richard Wagner to estimate the economic impact of a phase-out of the estate tax. He estimated that if the tax is phased out over 5 years beginning in 1999, that the economy would create 189,895 more jobs and would grow by an additional $509 billion over a ten year period. Similarly, a recent Heritage Foundation study simulated the results of an estate tax repeal under two respected economic models, the Washington University Macro Model, and the Wharton Econometric Model. Under the models, a repeal of the tax is forecast to increase jobs and GDP, as well as reduce the cost of capital.

One might expect that with all the economic dislocation associated with the estate tax that it raises a significant amount of revenue or accomplishes a redistributionist social policy. In fact, the revenue take is quite modest—approximately 1 percent of federal revenue, or $14.7 billion in 1995. And as for social policy, the ability of the federal government to equalize wealth through the estate tax may be quite limited. A 1995 study published by the Rand Corporation found that for the very wealthiest Americans, only 7.5 percent of their wealth is attributable to inheritance—the other 92.5 percent is from earnings.

America is a nation of tremendous economic opportunity. Success is determined principally through hard work and individual initiative. Our tax policy should focus on encouraging greater initiative rather than on attempts to limit inherited wealth. The estate tax is a relic. It damages family businesses, harms the economy, and constitutes double taxation. It is time for the estate tax to go.

SENATE JOINT MEMORIAL 99–004

Whereas, The Federal Unified Gift and Estate Tax, or "Death Tax", generates a minimal amount of federal revenue, especially considering the high cost of collection and compliance and in fact has been shown to decrease federal revenues from what they might otherwise have been; and

Whereas, This federal Death Tax has been identified as destructive to job opportunity and expansion, especially to minority entrepreneurs and family farmers; and

Whereas, This federal Death Tax causes severe hardship to growing family businesses and family farming operations, often to the point of partial or complete forced liquidation; and

Whereas, Critical state and local leadership assets are unnecessarily destroyed and forever lost to the future detriment of their communities through relocation or liquidation; and

Whereas, Local and state schools, churches, and numerous charitable organizations would greatly benefit from the increased employment and continued family business leadership that would result from the repeal of the federal Death Tax; now, therefore,

Be It Resolved by the Senate of the Sixty-second General Assembly of the State of Colorado, the House of Representatives concurring herein: That the Congress of the United States is hereby memoralized to immediately repeal the Federal Unified Gift and Estate Tax.

Be It Further Resolved, That copies of this Joint Memorial be sent to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and each member of the Colorado congressional delegation.●

By Mr. REID:

S. 1343. A bill to direct the Secretary of Agriculture to convey certain National Forest land to Elko County, Nevada, for continued use as a cemetery, to the Committee on Energy and Natural Resources.

CONVEYANCE OF NATIONAL FOREST LAND TO ELKO COUNTY, NEVADA

Mr. REID. Mr. President, I rise today to introduce legislation to authorize the Secretary of Agriculture to convey, without consideration, two acres of land to Elko County, NV, for use as a cemetery. This proposal should not be controversial, and I urge my colleagues to act upon this quickly.

Jarbidge, NV, is a small town located in the remote wilderness of Elko County in northern Nevada. Surrounded by the Humboldt-Toiyabe National Forest, this community is representative of many of the small, rural communities of Nevada. Its residents have worked hard to earn a living off the land and many of its families have deep roots in Nevada established decades ago by early pioneers to the Silver State. Since the 1900's, the people there have buried their dead in a small parcel of national forest land.

The people of Jarbidge now have an opportunity to establish a permanent trust for the maintenance of this historic cemetery. The establishment of the trust is dependent on county ownership of the land, however. The Forest Service has stated that they cannot and will not give the land to the County, and insist that the land be paid for—either in cash or via a land exchange. While I agree that in the vast majority of instances this is the correct stance, in this case the Forest Service is just plain wrong.

We should do the right thing and give this land to the county to honor the families whose loved ones rest in that small cemetery. The bill I introduce today is companion legislation to a House bill introduced by my fellow Nevada legislator JIM GIBBONS—a bill which is making its way through the House. I hope my colleagues in the Senate will act quickly so that the residents of Jarbidge will know the entire U.S. Congress supports their efforts to honor the memory of deceased residents whose graves occupy this tiny plot of land.

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

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

S. 1343

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

SECTION 1. CONVEYANCE OF NATIONAL FOREST LAND TO ELKO COUNTY, NEVADA, FOR USE AS CEMETERY.

(a) REQUIREMENT TO CONVEY.—The Secretary of Agriculture shall convey, without consideration, to Elko County, Nevada, all right, title, and interest of the United States in and to the parcel of real property described in subsection (b), for use as a cemetery.

(b) DESCRIPTION OF PROPERTY.—

(1) IN GENERAL.—The property referred to in subsection (a) is a parcel of National Forest land (including any improvements on the land) in Elko County, Nevada, known as ''Jarbidge Cemetery'', consisting of approximately 2 acres and described as the NE¼SW1¼NW¼ of Section 9 T 46 N, R 58 E, MDB&M.

(2) SURVEY.—

(A) IN GENERAL.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(B) COST.—As a condition of any conveyance under this section, the County shall pay the cost of the survey.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions with respect to the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

ADDITIONAL COSPONSORS

S. 97

At the request of Mr. MCCAIN, the names of the Senator from Missouri (Mr. BOND) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 97, a bill to require the installation and use by schools and libraries of a technology for filtering or blocking material on the Internet on computers with Internet access to be eligible to receive or retain universal service assistance.

S. 215

At the request of Mr. MOYNIHAN, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 215, a bill to amend title XXI of the Social Security Act to increase the allotments for territories under the State Children's Health Insurance Program.

S. 222

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 222, a bill to amend title 23, United States Code, to provide for a national standard to prohibit the operation of motor vehicles by intoxicated individuals.

S. 333

At the request of Mr. LEAHY, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 333, a bill to amend the Federal Agriculture Improvement and Reform Act of 1996 to improve the farmland protection program.

S. 343

At the request of Mr. BOND, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 343, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 376

At the request of Mr. BURNS, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Hawaii (Mr. INOUYE), the Senator from Alaska (Mr. STEVENS), and the Senator from Mississippi (Mr. LOTT) were added as cosponsors of S. 376, a bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

S. 424

At the request of Mr. COVERDELL, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 424, a bill to preserve and protect the free choice of individuals and employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 446

At the request of Mrs. BOXER, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 446, a bill to provide for the permanent protection of the resources of the United States in the year 2000 and beyond.

S. 459

At the request of Mr. BREAUX, the names of the Senator from North Dakota (Mr. DORGAN), the Senator from New Hampshire (Mr. GREGG), and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the medicare program, and for other purposes.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 542

At the request of Mr. ABRAHAM, the name of the Senator from Missouri (Mr. BOND) was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers.

S. 566

At the request of Mr. LUGAR, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. 566, a bill to amend the Agricultural Trade Act of 1978 to exempt agricultural commodities, livestock, and value-added products from unilateral economic sanctions, to prepare for future bilateral and multilateral trade negotiations affecting United States agriculture, and for other purposes.

S. 635

At the request of Mr. MACK, the name of the Senator from California (Mrs.

FEINSTEIN) was added as a cosponsor of S. 635, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 642

At the request of Mr. GRASSLEY, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 642, a bill to amend the Internal Revenue Code of 1986 to provide for Farm and Ranch Risk Management Accounts, and for other purposes.

S. 659

At the request of Mr. MOYNIHAN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 659, a bill to amend the Internal Revenue Code of 1986 to require pension plans to provide adequate notice to individuals whose future benefit accruals are being significantly reduced, and for other purposes.

S. 663

At the request of Mr. SPECTER, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 663, a bill to impose certain limitations on the receipt of out-of-State municipal solid waste, to authorize State and local controls over the flow of municipal solid waste, and for other purposes.

S. 676

At the request of Mr. CAMPBELL, the names of the Senator from Indiana (Mr. BAYH), the Senator from Maryland (Mr. SARBANES), and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 676, a bill to locate and secure the return of Zachary Baumel, a citizen of the United States, and other Israeli soldiers missing in action.

S. 693

At the request of Mr. HELMS, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 693, a bill to assist in the enhancement of the security of Taiwan, and for other purposes.

S. 800

At the request of Mr. BURNS, the names of the Senator from Tennessee (Mr. FRIST), the Senator from Michigan (Mr. ABRAHAM), and the Senator from Missouri (Mr. ASHCROFT) were added as cosponsors of S. 800, a bill to promote and enhance public safety through the use of 9-1-1 as the universal emergency assistance number, further deployment of wireless 9-1-1 service, support of States in upgrading 9-1-1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes.

S. 817

At the request of Mrs. BOXER, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 817, a bill to improve academic and social outcomes for students and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities during after school hours.

S. 856

At the request of Mr. JEFFORDS, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 856, a bill to provide greater options for District of Columbia students in higher education.

S. 879

At the request of Mr. CONRAD, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 879, a bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain leasehold improvements.

S. 918

At the request of Mr. KERRY, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 918, a bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

S. 951

At the request of Mr. DOMENICI, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 951, a bill to amend the Internal Revenue Code of 1986 to establish a permanent tax incentive for research and development, and for other purposes.

S. 952

At the request of Mr. BIDEN, his name was withdrawn as a cosponsor of S. 952, a bill to expand an antitrust exemption applicable to professional sports leagues and to require, as a condition of such an exemption, participation by professional football and major league baseball sports leagues in the financing of certain stadium construction activities, and for other purposes.

S. 959

At the request of Mr. HOLLINGS, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from New York (Mr. MOYNIHAN), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 959, a bill to establish a National Ocean Council, a Commission on Ocean Policy, and for other purposes.

S. 969

At the request of Mr. ASHCROFT, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of S. 969, a bill to amend the Individuals with Disabilities Education Act and the Gun-Free Schools Act of 1994 to authorize schools to apply appropriate discipline measures in cases where students have weapons or threaten to harm others, and for other purposes.

S. 1017

At the request of Mr. MACK, the names of the Senator from Montana (Mr. BURNS), and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. 1017, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on the low-income housing credit.

S. 1075

At the request of Mrs. BOXER, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1075, a bill to promote research to identify and evaluate the health effects of silicone breast implants, and to insure that women and their doctors receive accurate information about such implants.

S. 1079

At the request of Mr. MACK, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1079, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals subject to Federal hours of service.

S. 1108

At the request of Mr. COCHRAN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1108, a bill to amend the Federal Crop Insurance Act to improve crop insurance coverage and administration, and for other purposes.

S. 1130

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 1130, a bill to amend title 49, United States Code, with respect to liability of motor vehicle rental or leasing companies for the negligent operation of rented or leased motor vehicles.

S. 1159

At the request of Mr. STEVENS, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 1159, a bill to provide grants and contracts to local educational agencies to initiate, expand, and improve physical education programs for all kindergarten through 12th grade students.

S. 1165

At the request of Mr. MACK, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), and the Senator from Illinois (Mr. FITZGERALD) were added as cosponsors of S. 1165, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 1172

At the request of Mr. TORRICELLI, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 1172, a bill to provide a patent term restoration review procedure for certain drug products.

S. 1227

At the request of Mr. CHAFEE, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1227, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women and children to be eligible for medical assistance under the medical program, and for other purposes.

S. 1267

At the request of Mr. SCHUMER, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1267, a bill to require that health care providers inform their patients of certain referral fees upon the referral of the patients to clinical trials.

S. 1277

At the request of Mr. BAUCUS, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

S. 1290

At the request of Mr. INOUYE, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1290, a bill to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes.

S. 1310

At the request of Ms. COLLINS, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1310, a bill to amend title XVIII of the Social Security Act to modify the interim payment system for home health services, and for other purposes.

SENATE CONCURRENT RESOLUTION 34

At the request of Mr. SPECTER, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of Senate Concurrent Resolution 34, a concurrent resolution relating to the observance of ''In Memory'' Day.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. SCHUMER, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of Senate Concurrent Resolution 36, a concurrent resolution condemning Palestinian efforts to revive the original Palestine partition plan of November 29, 1947, and condemning the United Nations Commission on Human Rights for its April 27, 1999, resolution endorsing Palestinian self-determination on the basis of the original Palestine partition plan.

SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

SENATE RESOLUTION 95

At the request of Mr. THURMOND, the names of the Senator from Connecticut (Mr. DODD), the Senator from Nebraska (Mr. KERREY), the Senator from California (Mrs. FEINSTEIN), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of Senate Resolution 95, a resolution designating August 16, 1999, as ''National Airborne Day.''

SENATE RESOLUTION 119

At the request of Mr. SMITH, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of Senate Resolution 119, a resolution expressing the sense of the Senate with respect to United Nations General Assembly Resolution ES–10/6.

SENATE CONCURRENT RESOLUTION 43—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. LOTT submitted the following resolution; which was considered and agreed to:

S. CON. RES. 43

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, July 1, 1999, Friday, July 2, 1999, or Saturday, July 3, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 12, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, July 1, 1999, or Friday, July 2, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 12:30 p.m. on Monday, July 12, 1999, for morning-hour debate, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

SENATE RESOLUTION 132—DESIGNATING THE WEEK BEGINNING JANUARY 21, 2001, ''ZINFANDEL GRAPE APPRECIATION WEEK''

Mrs. FEINSTEIN (for herself and Mrs. BOXER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 132

Whereas Zinfandel grapes have historical significance among agricultural products of the United States, in that the origins of Zinfandel grapes in the United States date back to the 1830s;

Whereas Zinfandel grape vines are a living link to the time when gold was discovered in the Sierra Nevada mountains and many people in the United States moved west to seek their fortunes;

Whereas some Zinfandel grape vines in the Sierra Nevada foothills are at least 125 years old and still producing grapes;

Whereas Zinfandel grape vines were an integral part of the Gold Rush of 1849 and the agricultural cultivation of the West;

Whereas Zinfandel wine is an excellent representative of the agricultural community of the United States because its development and production range from the hot houses and nurseries of New England and Long Island to the hills and valleys of the Pacific Coast and Southwest;

Whereas Zinfandel grape vines are planted in 14 States and distributed to every major community in all 50 States, and have worldwide recognition by scholars, growers, and consumers as being a quintessential creation of the United States;

Whereas Zinfandel grape products are used in products as diverse as jams, pasta sauce, and wine;

Whereas the Zinfandel grape, a principal component of an important agricultural sector in the United States, has been the leading red grape from the 1880s to the present in terms of acres planted and wine produced, and is accordingly a crucial part of an industry that, in 1996, produced approximately $41,000,000,000 of direct and indirect economic activity and $3,000,000,000 in State and local revenue, and provided permanent employment for 554,630 people;

Whereas Zinfandel wine has been winning first prize and similar recognition in competitions since 1859 against domestic and internationally produced wines, and brings great credit to the quality of agriculture in the United States;

Whereas Zinfandel vines grown in the United States serve as the source of vines grown elsewhere in the world and set the standards for Zinfandel vines worldwide;

Whereas only Zinfandel wine, among the wines of the world, is recognized as being a product that is uniquely from the United States;

Whereas the Zinfandel grape is an embodiment of the history and heritage of the United States, and, in particular, of the settlement and agricultural cultivation of the West; and

Whereas for the reasons described above, the Zinfandel grape is a national treasure: Now, therefore, be it

Resolved,That the Senate—

(1) designates the week beginning January 21, 2001, as ''Zinfandel Grape Appreciation Week''; and

(2) requests the President to issue a proclamation calling on the people of the United States to celebrate the week with appropriate ceremonies and programs.

• Mrs. FEINSTEIN. Mr. President, I rise today to submit a resolution to commemorate the Zinfandel grape.

The Zinfandel grape has a long and unique history that mirrors the diversity and agricultural development of our nation. Unlike other grapes that

today have international recognition—such as Cabernet, Chardonnay, or Pinot Noir—the Zinfandel grape is uniquely and distinctly American. One writer has referred to it as ''the Horatio Alger of varietals, the True American.''

While Zinfandel's exact origins are unclear, we know that it was consumed as a table grape in New England in the 1830's, and that Zinfandel cuttings from a nursery in Long Island were taken by the settlers as they headed west. During the California Gold Rush of 1849, Zinfandel vines were planted and their products consumed as table grapes and as wine. By the 1880's, Zinfandel was the most commonly planted red grape in the West, and the wine made from Zinfandel grapes began winning awards as early as 1859.

Today the Zinfandel grape is our most versatile of viticultural products. It is used in jams, jellies, pasta sauces, mustards, and other food products. It is produced as a wine in 14 states, including Arizona, California, Colorado, Illinois, Indiana, Iowa, Massachusetts, Nevada, New Mexico, North Carolina, Oregon, Ohio, Tennessee and Texas.

Zinfandel products now touch every region of the United States, yet knowledge of its uniquely American heritage is poor. I hope that passage of this resolution will bring greater awareness to the public of the notable and uniquely American attributes of this important agricultural product.

In my state, there are grape vines in the foothills of the Sierra Nevada mountains that have been alive since the late 1800's. These ancient vines still produce grapes, and the genetic qualities of these grapes so interest scientists that the University of California at Davis has established a ''Heritage Vineyard'' project specifically to study these plants.

On a more prosaic level, these old vines are a living link to our past—to a time when many Americans living in the East uprooted themselves and moved to West to cultivate and settle the entire expanse of our country. We should recognize and treasure these historical connections to the development of our nation.

Mr. President, let me clarify that this resolution does not seek to commemorate an alcoholic product, or any particular commercial product. It does not seek to commemorate a ''western'' issue, since Zinfandel food products are consumed nationwide and Zinfandel grapes are made into wine in every major portion of the country. Indeed, the very origins of Zinfandel are in the East. Rather, my colleagues and I seek to commemorate a uniquely American agricultural product that has gained international recognition and that is produced and enjoyed in every part of this country.

I am pleased to submit this resolution to commemorate the Zinfandel grape and establish January 23–29, 2001, as Zinfandel Grape Appreciation Week.●

SENATE RESOLUTION 133—SUPPORTING RELIGIOUS TOLERANCE TOWARD MUSLIMS

Mr. ABRAHAM (for himself and Mr. CRAIG) submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 133

Whereas the American Muslim community, comprised of approximately 6,000,000 people, is a vital part of our Nation, with more than 1,500 mosques, Islamic schools, and Islamic centers in neighborhoods across the United States;

Whereas Islam is one of the great Abrahamic faiths, whose significant contributions throughout history have advanced the fields of math, science, medicine, law, philosophy, art, and literature;

Whereas the United States is a secular nation, with an unprecedented commitment to religious tolerance and pluralism, where the rights, liberties, and freedoms guaranteed by the Constitution are guaranteed to all citizens regardless of religious affiliation;

Whereas Muslims have been subjected, simply because of their faith, to acts of discrimination and harassment that all too often have led to hate-inspired violence, as was the case during the rush to judgment in the aftermath of the tragic Oklahoma City bombing;

Whereas discrimination against Muslims intimidates American Muslims and may prevent Muslims from freely expressing their opinions and exercising their religious beliefs as guaranteed by the first amendment to the Constitution;

Whereas American Muslims have regrettably been portrayed in a negative light in some discussions of policy issues such as issues relating to religious persecution abroad or fighting terrorism in the United States;

Whereas stereotypes and anti-Muslim rhetoric have also contributed to a backlash against Muslims in some neighborhoods across the United States; and

Whereas all persons in the United States who espouse and adhere to the values of the founders of our Nation should help in the fight against bias, bigotry, and intolerance in all their forms and from all their sources: Now, therefore, be it

Resolved, That—

(1) the Senate condemns anti-Muslim intolerance and discrimination as wholly inconsistent with the American values of religious tolerance and pluralism;

(2) while the Senate respects and upholds the right of individuals to free speech, the Senate acknowledges that individuals and organizations that foster such intolerance create an atmosphere of hatred and fear that divides the Nation;

(3) the Senate resolves to uphold a level of political discourse that does not involve making a scapegoat of an entire religion or drawing political conclusions on the basis of religious doctrine; and

(4) the Senate recognizes the contributions of American Muslims, who are followers of one of the three major monotheistic religions of the world and one of the fastest growing faiths in the United States.

SENATE RESOLUTION 134—EXPRESSING THE SENSE OF THE SENATE THAT JOSEPH JEFFERSON ''SHOELESS JOE'' JACKSON SHOULD BE APPROPRIATELY HONORED FOR IS OUTSTANDING BASEBALL ACCOMPLISHMENTS

Mr. HARKIN (for himself, Mr. THURMOND, and Mr. HOLLINGS) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 134

Resolved,

SECTION 1. SENSE OF THE SENATE THAT "SHOELESS JOE" JACKSON SHOULD BE RECOGNIZED FOR HIS BASEBALL ACCOMPLISHMENTS.

(a) FINDINGS.—The Senate finds the following:

(1) In 1919, the infamous ''Black Sox'' scandal erupted when an employee of a New York gambler allegedly bribed 8 players of the Chicago White Sox, including Joseph Jefferson ''Shoeless Joe'' Jackson, to throw the first and second games of the 1919 World Series to the Cincinnati Reds.

(2) In September 1920, a criminal court acquitted ''Shoeless Joe'' Jackson of the charge that he conspired to throw the 1919 World Series.

(3) Despite the acquittal, Commissioner Landis banned ''Shoeless Joe'' Jackson from playing Major League Baseball for life without conducting any investigation of Jackson's alleged activities, issuing a summary punishment that fell far short of due process standards.

(4) The evidence shows that Jackson did not deliberately misplay during the 1919 World Series in an attempt to make his team lose the World Series.

(5) During the 1919 World Series, Jackson's play was outstanding—his batting average was .375, the highest of any player from either team; he had 12 hits, setting a World Series record; he did not commit any errors; and he hit the only home run of the Series.

(6) Not only was Jackson's performance during the 1919 World Series unmatched, but his accomplishments throughout his 13-year career in professional baseball were outstanding as well—he was 1 of only 7 Major League Baseball players to ever top the coveted mark of a .400 batting average for a season, and he earned a lifetime batting average of .356, the third highest of all time.

(7) ''Shoeless Joe'' Jackson's career record clearly makes him one of our Nation's top baseball players of all time.

(8) Because of his lifetime ban from Major League Baseball, ''Shoeless Joe'' Jackson has been excluded from consideration for admission to the Major League Baseball Hall of Fame.

(9) ''Shoeless Joe'' Jackson passed away in 1951, and 80 years have elapsed since the 1919 World Series scandal erupted.

(10) Recently, Major League Baseball Commissioner Bud Selig took an important first step toward restoring the reputation of ''Shoeless Joe'' Jackson by agreeing to investigate whether he was involved in a conspiracy to alter the outcome of the 1919 World Series and whether he should be eligible for inclusion in the Major League Baseball Hall of Fame.

(11) Courts have exonerated ''Shoeless Joe'' Jackson, the evidence shows that Jackson did not deliberately misplay during the 1919 World Series, and 80 years have passed since the scandal erupted; therefore, Major League

Baseball should remove the taint upon the memory of ''Shoeless Joe'' Jackson and honor his outstanding baseball accomplishments.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Joseph Jefferson ''Shoeless Joe'' Jackson should be appropriately honored for his outstanding baseball accomplishments.

● Mr. HARKIN. Mr. President, on behalf of myself and Senators THURMOND and HOLLINGS, I am submitting today a sense of the Senate resolution to right a wrong perpetrated against one of the greatest American baseball players of all time—Joseph Jefferson ''Shoeless Joe'' Jackson.

In 1920 ''Shoeless Joe'' Jackson was banned from the game of baseball, the game he loved. He was banned from Major League baseball for allegedly taking part in a conspiracy to throw the 1919 World Series, in what has become known as the ''Black Sox'' scandal. While ''Shoeless Joe'' did admit that he received $5,000 from his roommate, Lefty Williams, to participate in the fix, evidence suggests that Jackson did everything in his power to stop the fix from going through. He twice tried to give the money back. He offered to sit out the World Series in order to avoid any appearance of impropriety. And, he tried to inform White Sox owner Charles Comisky of the fix. All of these efforts fell on deaf ears.

Perhaps the most convincing evidence of Jackson's withdrawal from the conspiracy was his performance on the field during the series. During the 1919 World Series—which he was accused of conspiring to fix—''Shoeless Joe'' Jackson's batting average was .375, the highest of any player from either team. He had 12 hits, a World Series record. He led his team in runs scored and runs batted in. And, he hit the only home run of the series. On defense, Jackson committed no errors and had no questionable plays in 30 chances.

When criminal charges were brought against Jackson in trial, the jury found him ''not guilty.'' White Sox owner Charles Comiskey and several sportswriters testified that they saw no indication that Jackson did anything to indicate he was trying to throw the series. But, when the issue came before the newly-formed Major League Baseball Commissioner's office, Commissioner Judge Kenesaw ''Mountain'' Landis found Jackson guilty of taking part in the fix, and he was banned for life from playing baseball. The Commissioner's office never conducted an investigation and never heard a hearing, thus denying ''Shoeless Joe'' Jackson due process.

Major League Baseball now has an opportunity to correct a great injustice. I wrote recently to Commissioner Bud Selig urging him to take a new look at this case. I was very pleased when the Commissioner responded to my inquiry by saying he is giving the case a fair and objective review. Restoring ''Shoeless Joe'' Jackson's eligibility for the Hall of Fame would benefit Major League Baseball, baseball fans, and all Americans who appreciate a sense of fair play.

''Shoeless Joe'' Jackson is an inspiration to people of all generations. Babe Ruth was said to have copied Jackson's swing. I was touched by Jackson's story through the movie ''Field of Dreams,'' which recounted his story. The movie was filmed in Dyersville, Iowa. Thousands of Iowans, young and old alike, have come to embrace ''Shoeless Joe.'' In fact, there is an annual Shoeless Joe Jackson celebration and celebrity baseball game in Dyersville. This year it will be attended by a cast of baseball greats, including Tommy Lasorda and Bob Feller.

Jackson's career statistics and accomplishments throughout his thirteen years in professional baseball clearly earn him a place as one of baseball's all-time greats. His career batting average of .356 is the third highest of all time. In addition, Jackson was one of only seven Major League Baseball players to top the coveted mark of a .400 batting average for a season.

The resolution we submit today states that Major League Baseball should honor Jackson's accomplishments appropriately. I believe Jackson should be inducted into the Major League Baseball Hall of Fame. If that is to happen, Jackson must first be cleared for consideration by the Hall of Fame Veterans Committee, which will stand as the jury which decides whether Jackson's accomplishments during his playing career are worthy of recognition in the Hall of Fame.

Mr. President, we are involved in many important issues. Clearly, this matter will not and should not take up the same amount of time this body devotes to critical issues like health care, education, or national defense. But, restoring the good name and reputation of a single American is important. This resolution gives us an opportunity to right an old wrong. It gives us an opportunity to honor one of the all-time great players of America's pastime, ''Shoeless Joe'' Jackson.

I urge my colleagues to support this resolution.●

SENATE RESOLUTION—CALLING FOR THE IMMEDIATE RELEASE OF THE THREE HUMANITARIAN WORKERS IN YUGOSLAVIA

Mr. DURBIN (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 135

Whereas Branko Jelen, Steve Pratt, and Peter Wallace are three humanitarian workers employed in Yugoslavia by CARE International, the relief and development organization, providing food, medicines and fuel to more than 50,000 Serbian refugees in Serbia and to displaced ethnic Albanians in Kosovo;

Whereas Steve Pratt and Peter Wallace, two Australian nationals, were detained on March 31, 1999, and later accused of operating and managing a spy ring and being employed by a spy ring, and Branko Jelen, a Yugoslav, was arrested one week later on the same charges;

Whereas on March 30, the organization CARE International had received a letter of commendation from the Yugoslavian government about CARE International's humanitarian work in Yugoslavia;

Whereas one of the three humanitarian workers, Steve Pratt, appeared on Serbian television on April 11, and he was coerced into saying that he had performed covert intelligence activities;

Whereas the three humanitarian workers were held without access to outsiders for 20 days;

Whereas on May 29 a military court dismissed every element of the original indictment, but then proceeded to convict the three CARE International workers on an entirely new charge of passing on information to a foreign organization, namely CARE International, and sentenced Pratt to 12 years, Jelen to six, and Wallace to four;

Whereas this last charge was introduced at the reading of the verdict, denying lawyers for the three any opportunity to mount an appropriate defense;

Whereas it appears these humanitarian workers were convicted of providing ''situation reports'' to their head office and other CARE International offices around the world, based on legitimately gathered information, necessary to enable CARE International management to plan their humanitarian assistance in a rapidly changing context and to inform CARE International management of the security situation in which their staff were working;

Whereas the convictions of these three humanitarian workers raise serious questions regarding the ability of humanitarian aid organizations to operate in Yugoslavia, with implications for their operations in other areas of conflict around the world;

Whereas the three humanitarian workers are innocent, committed no crime, and are being held prisoner unjustly;

Whereas Yugoslavia needs humanitarian workers who feel secure enough to do their work and who are not at risk of going to prison on false charges; and

Whereas many leaders around the world have raised the issue and sought to free the captives, including Kofi Annan, Nelson Mandela, Marti Ahtisaari, Mary Robinson, and Jesse Jackson; Now, therefore, be it

Resolved, That the Senate—

(1) urges the Government of the United States and the United Nations to undertake urgent and strenuous efforts to secure the release of the three CARE International humanitarian workers; and

(2) calls upon the Government of the Federal Republic of Yugoslavia to send a positive signal to the international humanitarian community and to give these workers their freedom without further delay.

Mr. DURBIN. Mr. President, today I am joining with Senator LEAHY to introduce a resolution calling for the immediate release of three CARE International workers in Yugoslavia. The three humanitarian workers committed no crime and are being held prisoner unjustly. Coercion was used in

extracting a televised ''confession'' from one of the workers and the judicial proceedings held against them were a sham, preventing them from mounting a serious defense.

The men, Branko Jelen, Steve Pratt, and Peter Wallace, are three humanitarian workers employed in Yugoslavia by CARE International, which has been providing food, medicines and fuel to more than 50,000 Serbian refugees in Serbia and to displaced ethnic Albanians in Kosovo.

On March 31, 1999, Steve Pratt and Peter Wallace, two Australian nationals, were arrested and later accused of operating a spy ring. Branko Jelen, a Yugoslav, was arrested a week later on the same charges. Yugoslav officials forced Steve Pratt to appear on Serbian television on April 11, when he was coerced into saying that he had performed covert intelligence activities. The three were held without access to outsiders for 20 days.

On May 29 a military court dismissed the original indictment, but then convicted the three CARE International workers on an entirely new charge of passing on information to a foreign organization, their employer, CARE International! This charge was introduced at the reading of the verdict, denying lawyers for the three any opportunity to mount an appropriate defense. Pratt was sentenced to 12 years, Jelen to 6 years, and Wallace to 4 years in prison.

These humanitarian workers apparently were convicted of providing ''situation reports'' to their head office and other CARE International offices around the world, based on legitimately gathered information. Such reports are necessary to enable CARE International management to plan their humanitarian assistance and to inform CARE International management of the rapidly changing security situation faced by their staff.

The convictions of these three humanitarian workers raise serious questions regarding the ability of humanitarian aid organizations to operate in Yugoslavia, with implications for their operations in other areas of conflict around the world. Humanitarian workers must feel secure enough to do their work and must not be at risk of going to prison on false charges. Since that is not now the case in Serbia, CARE International regretfully was forced to stop its operations there.

The resolution we introduce today urges the United States and the United Nations to try to secure the release of the three humanitarian workers and calls on the Yugoslavia government to release them. I urge my colleagues to support this resolution.

SENATE RESOLUTION—CONDEMNING THE ACTS OF ARSON AT THE THREE SACRAMENTO, CA, AREA SYNAGOGUES ON JUNE 18, 1999, AND CALLING ON ALL AMERICANS TO CATEGORICALLY REJECT CRIMES OF HATE AND INTOLERANCE

Mrs. BOXER (for herself, Mrs. FEINSTEIN, Mr. DASCHLE, and Mr. ABRAHAM) submitted the following resolution; which was considered and agreed to:

S. RES. 136

Whereas on the evening of June 18, 1999, in Sacramento, California, the Congregation B'nai Israel, Congregation Beth Shalom, and Kenesset Israel Torah Center were victims of malicious and cowardly acts of arson;

Whereas such crimes against our institutions of faith are crimes against us all;

Whereas we have celebrated since our Nation's birth the rich and colorful diversity of its people, and the sancitity of a free and democratic society;

Whereas the liberties Americans enjoy are attributed in large part to the courage and determination of visionaries who made great strides in overcoming the barriers of oppression, intolerance, and discrimination in order to ensure fair and equal treatment for every American by every American;

Whereas this type of unacceptable behavior is a direct assault upon the fundamental rights of all Americans who cherish their freedom of religion; and

Whereas every Member of Congress serves in part as a role model and bears a responsibility to protect and honor the multitude of cultural institutions and traditions we enjoy in the United States of America: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the crimes that occurred in Sacramento, California, at Congregation B'nai Israel, Congregation Beth Shalom, and Kenesset Israel Torah Center on the evening of June 18, 1999;

(2) rejects such acts of intolerance and malice in our society and interprets such attacks on cultural and religious institutions as an attack on all Americans;

(3) in the strongest terms possible, is committed to using Federal law enforcement personnel and resources pursuant to existing Federal authority to identify the persons who committed these heinous acts and bring them to justice in a swift and deliberate manner;

(4) recognizes and applauds the residents of the Sacramento, California, area who have so quickly joined together to lend support and assistance to the victims of these despicable crimes, and remain committed to preserving the freedom of religion of all members of the community; and

(5) calls upon all Americans to categorically reject similar acts of hate and intolerance.

AMENDMENTS SUBMITTED

TREASURY-POSTAL SERVICE APPROPRIATIONS

REED (AND CHAFEE) AMENDMENT NO. 1193

Mr. REED (for himself and Mr. CHAFEE) proposed an amendment to the bill (S. 1282) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. Section 5304 of title 5, United States Code, is amended by adding at the end the following:

''(j) For purposes of this section, the 5 counties of the State of Rhode Island (including Providence, Bristol, Newport, Kent, and Washington counties) shall be considered as 1 county, adjacent to the Boston-Worcester-Lawrence; Massachusetts, New Hampshire, Maine, and Connecticut locality pay area and the Hartford, Connecticut locality pay area.''.

WARNER AMENDMENT NO. 1194

Mr. CAMPBELL (for Mr. WARNER) proposed an amendment to the bill, S. 1282, supra; as follows:

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

SECTION 1. PROFESSIONAL LIABILITY INSURANCE.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Employees Equity Act of 1999''.

(b) IN GENERAL.—Section 636(a) of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–363; 5 U.S.C. prec. 5941 note) is amended in the first sentence by striking ''may'' and inserting ''shall''.

(c) LAW ENFORCEMENT OFFICERS.—Section 636(c)(2) of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–364; 5 U.S.C. prec. 5941 note) is amended to read as follows:

''(2) the term 'law enforcement officer' means an employee, the duties of whose position are primarily the investigation, apprehension, prosecution, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, including—

''(A) any law enforcement officer under section 8331(20) or 8401(17) of title 5, United States Code;

''(B) any special agent under section 206 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4823);

''(C) any customs officer as defined under section 5(e)(1) of the Act of February 13, 1911 (19 U.S.C. 267);

''(D) any revenue officer or revenue agent of the Internal Revenue Service; or

''(E) any Assistant United States Attorney appointed under section 542 of title 28, United States Code.''.

(d) EFFECTIVE DATE.—The amendments made by this Act shall take effect on the later of—

(1) October 1, 1999; or

(2) the date of enactment of this Act.

Mr. WARNER. Mr. President, I rise today in support of my amendment creating the Federal Employees Equity Act of 1999.

My legislation expands a provision included in the Omnibus Appropriations Bill for fiscal year 1997 (P.L. 104–208) to allow Federal agencies to contribute to the costs of professional liability insurance for their senior executives, managers and law enforcement officials. While this important

benefit contained in the Omnibus Appropriation bill was indeed enacted, it has not been made available on as wide a basis to Federal employees as we had hoped.

The Federal Employees Equity Act would ensure that Federal agencies reimburse one-half the premiums for Professional Liability Insurance for employees covered by this bill. Federal managers, supervisors and law enforcement officials should not have to fear the excessive costs of legal representation when unwarranted allegations are made against them and investigations of these allegations are conducted.

I was a strong supporter of the provision in 1996 because Federal officials often found themselves to be the target of unfounded allegations of wrongdoing. Sometimes allegations were made by citizens, against whom Federal officials were enforcing the law and by employees who had performance or conduct problems. Although many allegations have proven to be specious, these Federal officials were often subject to lengthy investigations and had to pay for their own legal representation when their agencies could not provide it.

The affected Federal managers, supervisors and law enforcement officials are generally prohibited from being represented by unions. For employees who are in bargaining units represented by unions, Congress allows Federal agencies to subsidize the time and expenses of union representatives when they are needed by such employees, whether or not they are dues paying members of the union.

Because these Federal officials are denied union representation, they have found it necessary to purchase Professional Liability Insurance in order to protect themselves when allegations are made against them to the Inspector General of their agency, to the Office of Special Counsel, or to the EEO office. The insurance provides coverage for legal representation for the employees when they are accused, and will pay judgments against the employee up to a maximum dollar amount if the employee is found to have made a mistake while carrying out his official duties. Currently, these managers must hire their own lawyers in order to defend their reputation and careers when they are the subject of a grievance, regardless of whether the complaint has merit.

The current law has had some success and has been implemented by several Federal departments including: Departments of Agriculture, Education, Interior, Labor, and such agencies as the Social Security Administration, Small Business Administration, General Services Administration, Securities and Exchange Commission, National Aeronautics and Space Administration, the Office of the Inspector General at the Department of Housing and Urban Development, the National Science Foundation, the Merit Systems Protection Board, the Office of the Inspector General at the Office of Public Health and Science, and the Substance Abuse and Mental Health Services Administration at Department of Health and Human Services.

Regrettably, other departments such as Treasury, Justice, Defense, Commerce, Transportation, Veterans Affairs, and agencies such as the Equal Employment Opportunity Commission, and the Office of Personnel Management have not seen fit to do so.

The professional associations of these officials (the Senior Executives Association, the Professional Managers Association, the FBI Agents Association, the Federal Criminal Investigators Association, the Federal Law Enforcement Officers Association, the National Association of Assistant U.S. Attorneys, and the Nation Treasury Employees Union) have endorsed the concept for legislation to require Federal agencies to reimburse half the cost of premiums for Professional Liability Insurance.

The intent of this measure is simply to ''level the playing field'' so that supervisors and managers are treated equally by various Federal agencies and have access to protections similar to those which are already provided for rank and file Federal employees.

I request your support for these Federal officials and for this legislation.

KYL (AND OTHERS) AMENDMENT NO. 1195

Mr. CAMPBELL (for Mr. KYL (for himself, Mrs. HUTCHISON, Mrs. FEINSTEIN, Mr. ABRAHAM, Mr. GRAHAM, Mr. GRAMM, and Mr. BINGAMAN)) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 13, line 24, strike ''$1,670,747,000'' and insert ''$1,720,747,000''.

On page 15, line 6, before the period, insert the following: '': *Provided further*, That $50,000,000 shall be available until expended to hire, train, provide equipment for, and deploy 500 new Customs inspectors''.

On page 49, line 13, strike ''$38,175,000'' and insert ''$36,500,000''.

On page 50, line 1, strike ''$23,681,000'' and insert ''$22,586,000''.

On page 53, line 3, strike ''$624,896,000'' and insert ''$590,110,000''.

On page 58, line 8, strike ''$120,198,000'' and insert ''$109,344,000''.

On page 62, line 26, strike ''$27,422,000'' and insert ''$25,805,000''.

KYL (AND OTHERS) AMENDMENT NO. 1196

Mr. CAMPBELL (for Mr. KYL (for himself, Mrs. HUTCHISON, Mrs. FEINSTEIN, Mr. MCCAIN, and Mr. ABRAHAM)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF THE SENATE ON FUNDING FOR CUSTOMS SERVICE PERSONNEL.

(a) FINDINGS.—The Senate finds the following:

(1) The Federal Government is responsible for securing our Nation's borders and stopping the flow of illegal drugs into the United States. The Federal Government is also responsible for affecting the flow of legitimate trade and commerce across the southern and northern borders of the United States.

(2) The United States Customs Service needs additional personnel to carry out its increasingly difficult mission, to seize illegal drugs and contraband and facilitate legitimate trade and commerce. Canada and Mexico are the United States first and second largest trading partners, respectively.

(3) The number of commercial trucks crossing United States-Mexico and United States-Canada ports-of-entry increased from 7,500,000 in 1994 to 10,100,000 in 1998, a 40-percent increase. More than 372,000,000 people crossed either the United States-Mexico or United States-Canada border in fiscal year 1998 and an additional 87,000,000 international passengers were processed at United States airports and seaports during fiscal year 1998. Between 1994 and 1998, however, the total number of United States Customs Service inspectors and canine enforcement officers increased by only 540, from 5,668 inspectors to 6,208 inspectors. As a result, significant delays in cross-border traffic now occur at various ports-of-entry throughout the United States.

(4) Even with limited numbers of inspectors and agents, the United States Customs Service continues to seize an alarming amount of drugs. Of the 3,484 pounds of heroin seized in the United States in 1998, the United States Customs Service seized 2,705 pounds. Of the 264,630 pounds of cocaine seized in the United States in 1998, the Customs Service seized 148,103 pounds. Of the 1,760,000 pounds of marijuana seized last year in the United States, the Customs Service seized 995,988 pounds.

(5) The United States Customs Service must have the necessary staffing and technology to detect, deter, disrupt, and seize illegal drugs and to expedite the processing of traffic and cargo at United States ports. Approximately 1,360 additional full-time Customs inspectors are needed to reduce traffic congestion to 20 minutes per vehicle at land ports of entry and to better interdict illegal drugs.

(6) The Customs Service requested 617 additional inspectors for fiscal year 2000 to work towards this goal. In the fiscal year 2000 budget request to Congress, however, the President set aside no additional money to hire additional inspectors.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that additional funding should be provided to the United States Customs Service to hire necessary staff for drug interdiction and traffic facilitation at United States land border crossings, including 617 full-time, active duty Customs inspectors for United States ports of entry.

JEFFORDS (AND LANDRIEU) AMENDMENT NO. 1197

Mr. CAMPBELL (for Mr. JEFFORDS (for himself, Mrs. LANDRIEU, and Mr. ROBB)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, add the following:

TITLE ___—CHILD CARE CENTERS IN FEDERAL FACILITIES

SECTION 1. SHORT TITLE.

This title may be cited as the ''Federal Employees Child Care Act''.

SEC. ___2. DEFINITIONS.

In this title (except as otherwise provided in section ___5):

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) CHILD CARE ACCREDITATION ENTITY.—The term ''child care accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or by a national organization that serves as a peer review panel on the standards and procedures of public and private child care or school accrediting bodies; and

(B) accredits a facility to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State or local licensing requirements, as appropriate, for the facility;

(iii) outside monitoring of the facility; and

(iv) criteria that provide assurances of—

(I) use of developmentally appropriate health and safety standards at the facility;

(II) use of developmentally appropriate educational activities, as an integral part of the child care program carried out at the facility; and

(III) use of ongoing staff development or training activities for the staff of the facility, including related skills-based testing.

(3) ENTITY SPONSORING A CHILD CARE FACILITY.—The term ''entity sponsoring a child care facility'' means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care facility primarily for the use of Federal employees.

(4) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(A) does not include the Department of Defense and the Coast Guard; and

(B) includes the General Services Administration, with respect to the administration of a facility described in paragraph (5)(B).

(5) EXECUTIVE FACILITY.—The term ''executive facility''—

(A) means a facility that is owned or leased by an Executive agency; and

(B) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(6) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a legislative office, or a judicial office.

(7) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office (other than a facility that is also a facility described in paragraph (5)(B)).

(8) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(9) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(10) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(11) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

SEC. ___3. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) EXECUTIVE FACILITIES.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—Any entity sponsoring a child care facility in an executive facility shall—

(i) comply with child care standards described in paragraph (2) that are no less stringent than applicable State or local licensing requirements that are related to the provision of child care in the State or locality involved; or

(ii) obtain the applicable State or local licenses, as appropriate, for the facility.

(B) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with subparagraph (A); and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in the child care facility shall include a condition that the child care be provided by an entity that complies with the standards described in subparagraph (A)(i) or obtains the licenses described in subparagraph (A)(ii).

(2) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care in executive facilities, and require child care facilities, and entities sponsoring child care facilities, in executive facilities to comply with the standards. The standards shall include requirements that child care facilities be inspected for, and be free of, lead hazards.

(3) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care facility (as defined by the Administrator) in an executive facility to comply with standards of a child care accreditation entity.

(B) COMPLIANCE.—The regulations shall require that, not later than 3 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in the child care facility shall include a condition that the child care be provided by an entity that complies with the standards.

(4) EVALUATION AND COMPLIANCE.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of paragraph (1) and the regulations issued pursuant to paragraphs (2) and (3), as appropriate, of child care facilities, and entities sponsoring child care facilities, in executive facilities. The Administrator may conduct the evaluation of such a child care facility or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care facility is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care facility or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(B) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(i) if the entity operating the child care facility is the agency—

(I) not later than 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) not later than 4 months after the date of receipt of the notification, develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the facility and bring the facility and entity into compliance with the requirements;

(III) provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) bring the child care facility and entity into compliance with the requirements and certify to the Administrator that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an individual with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until the deficiencies are corrected and notify the Administrator of the closure; and

(ii) if the entity operating the child care facility is a contractor or licensee of the Executive agency—

(I) require the contractor or licensee, not later than 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) require the contractor or licensee, not later than 4 months after the date of receipt of the notification, to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements;

(III) require the contractor or licensee to provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and to post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) require the contractor or licensee to bring the child care facility and entity into compliance with the requirements and certify to the head of the agency that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until the deficiencies are corrected and notify the Administrator of the closure, which closure may be

grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(C) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out subparagraph (A) for child care facilities located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care facility for 2 or more Executive agencies, the Administrator shall allocate the reimbursement costs with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the facility.

(5) DISCLOSURE OF PRIOR VIOLATIONS TO PARENTS AND FACILITY EMPLOYEES.—

(A) IN GENERAL.—The Administrator shall issue regulations that require that each entity sponsoring a child care facility in an executive facility, upon receipt by the child care facility or the entity (as applicable) of a request by any individual who is—

(i) a parent of any child enrolled at the facility;

(ii) a parent of a child for whom an application has been submitted to enroll at the facility; or

(iii) an employee of the facility;

shall provide to the individual the copies and description described in subparagraph (B).

(B) COPIES AND DESCRIPTION.—The entity shall provide—

(i) copies of all notifications of deficiencies that have been provided in the past with respect to the facility under clause (i)(III) or (ii)(III), as applicable, of paragraph (4)(B); and

(ii) a description of the actions that were taken to correct the deficiencies.

(b) LEGISLATIVE FACILITIES.—

(1) ACCREDITATION.—The Chief Administrative Officer of the House of Representatives, the Librarian of Congress, and the head of a designated entity in the Senate shall ensure that, not later than 1 year after the date of enactment of this Act, the corresponding child care facility obtains accreditation by a child care accreditation entity, in accordance with the accreditation standards of the entity.

(2) REGULATIONS.—

(A) IN GENERAL.—If the corresponding child care facility does not maintain accreditation status with a child care accreditation entity, the Chief Administrative Officer of the House of Representatives, the Librarian of Congress, or the head of the designated entity in the Senate shall issue regulations governing the operation of the corresponding child care facility, to ensure the safety and quality of care of children placed in the facility. The regulations shall be no less stringent in content and effect than the requirements of subsection (a)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (a), except to the extent that appropriate administrative officers make the determination described in subparagraph (B).

(B) MODIFICATION MORE EFFECTIVE.—The determination referred to in subparagraph (A) is a determination, for good cause shown and stated together with the regulations, that a modification of the regulations would be more effective for the implementation of the requirements and standards described in subsection (a) for the corresponding child care facilities, and entities sponsoring the corresponding child care facilities, in legislative facilities.

(3) CORRESPONDING CHILD CARE FACILITY.—In this subsection, the term ''corresponding child care facility'', used with respect to the Chief Administrative Officer, the Librarian, or the head of a designated entity described in paragraph (1), means a child care facility operated by, or under a contract or licensing agreement with, an office of the House of Representatives, the Library of Congress, or an office of the Senate, respectively.

(c) JUDICIAL BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for child care facilities, and entities sponsoring child care facilities, in judicial facilities, which shall be no less stringent in content and effect than the requirements of subsection (a)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (a), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (a) for child care facilities, and entities sponsoring child care facilities, in judicial facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—The Director of the Administrative Office of the United States Courts shall have the same authorities and duties with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the Administrator has under subsection (a)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(B) HEAD OF A JUDICIAL OFFICE.—The head of a judicial office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the head of an Executive agency has under subsection (a)(4) with respect to the compliance of and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(d) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care facilities are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under subsection (a)(4)(A).

(e) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care facilities in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Chief Administrative Officer of the House of Representatives, the Librarian of Congress, the head of the designated Senate entity described in subsection (b), and the Director of the Administrative Office of the United States Courts, may provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for legislative offices and judicial offices, as appropriate, and entities operating child care facilities in legislative facilities or judicial facilities, as appropriate, on a reimbursable basis, in order to assist the entities in complying with this section.

(f) INTERAGENCY COUNCIL.—

(1) COMPOSITION.—The Administrator shall establish an interagency council, comprised of—

(A) representatives of all Executive agencies described in subsection (d) and other Executive agencies at the election of the heads of the agencies;

(B) a representative of the Chief Administrative Officer of the House of Representatives, at the election of the Chief Administrative Officer;

(C) a representative of the head of the designated Senate entity described in subsection (b), at the election of the head of the entity;

(D) a representative of the Librarian of Congress, at the election of the Librarian; and

(E) a representative of the Director of the Administrative Office of the United States Courts, at the election of the Director.

(2) FUNCTIONS.—The council shall facilitate cooperation and sharing of best practices, and develop and coordinate policy, regarding the provision of child care, including the provision of areas for nursing mothers and other lactation support facilities and services, in the Federal Government.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 2000 and such sums as may be necessary for each subsequent fiscal year.

SEC. ___4. FEDERAL CHILD CARE EVALUATION.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator and the Director of the Office of Personnel Management shall jointly prepare and submit to Congress a report that evaluates child care provided by entities sponsoring child care facilities in executive facilities, legislative facilities, or judicial facilities.

(b) CONTENTS.—The evaluation shall contain, at a minimum—

(1) information on the number of children receiving child care described in subsection (a), analyzed by age, including information on the number of those children who are age 6 through 12;

(2) information on the number of families not using child care described in subsection (a) because of the cost of the child care; and

(3) recommendations for improving the quality and cost effectiveness of child care described in subsection (a), including recommendations of options for creating an optimal organizational structure and using best practices for the delivery of the child care.

SEC. ___5. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—In addition to services authorized to be provided by an agency of the United States pursuant to section 616 of the Act of December 22, 1987 (40 U.S.C. 490b), an Executive agency that provides or proposes to provide child care services for Federal employees may use agency funds to provide the child care services, in a facility that is owned or leased by an Executive agency, or through a contractor, for civilian employees of the agency.

(b) AFFORDABILITY.—Funds so used with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by the facility or contractor.

(c) REGULATIONS.—The Administrator after consultation with the Director of the Office of Personnel Management, shall, within 180 days after the date of enactment of this Act, issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term ''Executive agency'' has the meaning given the term by section 105 of title 5, United States Code, but does not include the General Accounting Office.

SEC. ___6. MISCELLANEOUS PROVISIONS RELATING TO CHILD CARE PROVIDED BY FEDERAL AGENCIES.

(a) AVAILABILITY OF FEDERAL CHILD CARE CENTERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—Section 616 of the Act of December 22, 1987 (40 U.S.C. 490b) is amended—

(1) in subsection (a)—

(A) by striking ''officer or agency of the United States'' and inserting ''Federal agency or officer of a Federal agency''; and

(B) by striking paragraphs (2) and (3) and inserting the following:

''(2) the officer or agency determines that the space will be used to provide child care and related services to—

''(A) children of Federal employees or onsite Federal contractors; or

''(B) dependent children who live with Federal employees or onsite Federal contractors; and

''(3) the officer or agency determines that the individual or entity will give priority for available child care and related services in the space to Federal employees and onsite Federal contractors.''; and

(2) by adding at the end the following:

''(e)(1)(A) The Administrator of General Services shall confirm that at least 50 percent of aggregate enrollment in Federal child care centers governmentwide are children of Federal employees or onsite Federal contractors, or dependent children who live with Federal employees or onsite Federal contractors.

''(B) Each provider of child care services at an individual Federal child care center shall maintain 50 percent of the enrollment at the center of children described under subparagraph (A) as a goal for enrollment at the center.

''(C)(i) If enrollment at a center does not meet the percentage goal under subparagraph (B), the provider shall develop and implement a business plan with the sponsoring Federal agency to achieve the goal within a reasonable timeframe.

''(ii) The plan shall be approved by the Administrator of General Services based on—

''(I) compliance of the plan with standards established by the Administrator; and

''(II) the effect of the plan on achieving the aggregate Federal enrollment percentage goal.

''(2) The Administrator of General Services Administration may enter into public-private partnerships or contracts with nongovernmental entities to increase the capacity, quality, affordability, or range of child care and related services and may, on a demonstration basis, waive subsection (a)(3) and paragraph (1) of this subsection.''.

(b) PAYMENT OF COSTS OF TRAINING PROGRAMS.—Section 616(b)(3) of such Act (40 U.S.C. 490b(b)(3)) is amended to read as follows:

''(3) If a Federal agency has a child care facility in a Federal space, or is a sponsoring agency for a child care facility in a Federal space, the agency or the General Services Administration may pay accreditation fees, including renewal fees, for that center to be accredited. Any Federal agency that provides or proposes to provide child care services for children referred to in subsection (a)(2), may reimburse any Federal employee or any person employed to provide the services for the costs of training programs, conferences, and meetings and related travel, transportation, and subsistence expenses incurred in connection with those activities. Any per diem allowance made under this section shall not exceed the rate specified in regulations prescribed under section 5707 of title 5, United States Code.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 616(c) of such Act (40 U.S.C. 490b(c)) is amended—

(1) by inserting ''Federal'' before ''child care centers''; and

(2) by striking ''Federal workers'' and inserting ''Federal employees''.

(d) PROVISION OF CHILD CARE BY PRIVATE ENTITIES.—Section 616(d) of such Act (40 U.S.C. 490b(d)) is amended to read as follows:

''(d)(1) If a Federal agency has a child care facility in a Federal space, or is a sponsoring agency for a child care facility in a Federal space, the agency, the child care center board of directors, or the General Services Administration may enter into an agreement with 1 or more private entities under which the private entities would assist in defraying the general operating expenses of the child care providers including salaries and tuition assistance programs at the facility.

''(2)(A) Notwithstanding any other provision of law, if a Federal agency does not have a child care program, or if the Administrator of General Services has identified a need for child care for Federal employees at a Federal agency providing child care services that do not meet the requirements of subsection (a), the agency or the Administrator may enter into an agreement with a non-Federal, licensed, and accredited child care facility, or a planned child care facility that will become licensed and accredited, for the provision of child care services for children of Federal employees.

''(B) Before entering into an agreement, the head of the Federal agency shall determine that child care services to be provided through the agreement are more cost effectively provided through the arrangement than through establishment of a Federal child care facility.

''(C) The Federal agency may provide any of the services described in subsection (b)(3) if, in exchange for the services, the facility reserves child care spaces for children referred to in subsection (a)(2), as agreed to by the parties. The cost of any such services provided by a Federal agency to a Federal child care facility on behalf of another Federal agency shall be reimbursed by the receiving agency.

''(3) This subsection does not apply to residential child care programs.''.

(e) PILOT PROJECTS.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(f)(1) Upon approval of the agency head, a Federal agency may conduct a pilot project not otherwise authorized by law for no more than 2 years to test innovative approaches to providing alternative forms of quality child care assistance for Federal employees. A Federal agency head may extend a pilot project for an additional 2-year period. Before any pilot project may be implemented, a determination shall be made by the agency head that initiating the pilot project would be more cost-effective than establishing a new Federal child care facility. Costs of any pilot project shall be paid solely by the agency conducting the pilot project.

''(2) The Administrator of General Services shall serve as an information clearinghouse for pilot projects initiated by other Federal agencies to disseminate information concerning the pilot projects to the other Federal agencies.

''(3) Within 6 months after completion of the initial 2-year pilot project period, a Federal agency conducting a pilot project under this subsection shall provide for an evaluation of the impact of the project on the delivery of child care services to Federal employees, and shall submit the results of the evaluation to the Administrator of General Services. The Administrator shall share the results with other Federal agencies.''.

(f) BACKGROUND CHECK.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(g) Each Federal child care center located in a Federal space shall ensure that each employee of the center (including any employee whose employment began before the date of enactment of this subsection) shall undergo a criminal history background check consistent with section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041).''.

(g) DEFINITIONS.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(h) In this section:

''(1) The term 'Federal agency' has the meaning given the term 'Executive agency' in section ___2 of the Federal Employees Child Care Act.

''(2) The terms 'Federal building' and 'Federal space' have the meanings given the term 'executive facility' in such section ___2.

''(3) The term 'Federal child care center' means a child care center in an executive facility, as defined in such section ___2.

''(4) The terms 'Federal contractor' and 'Federal employee' mean a contractor and an employee, respectively, of an Executive agency, as defined in such section ___2.''.

ENZI (AND THOMAS) AMENDMENT NO. 1198

Mr. CAMPBELL (for Mr. ENZI (for himself and Mr. THOMAS) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 48, line 2, strike the period following ''HIDTA'', insert a colon (:), and after the colon insert the following:

Provided further, That Campbell County and Uinta County are hereby designated as part of the Rock Mountain High Intensity Drug Trafficking Area for the State of Wyoming.

GRASSLEY AMENDMENT NO. 1199

Mr. CAMPBELL (for Mr. GRASSLEY) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 13, line 24: Strike $1,670,747,000 and insert $1,928,494,752.

On page 2, line 19: Strike $133,168,000 and insert $130,168,000.

On page 4, line 8: Strike $111,340,000 and insert $102,340,000.

On page 8, line 11: Strike $80,114,000 and insert $75,114,000.

On page 10, line 18: Strike $200,054,000 and insert $190,054,000.

On page 11, line 16: Strike $569,225,000 and insert $560,225,000.

On page 17, line 16: Strike $3,291,945,000 and insert $3,271,945,000.

On page 18, line 6: Strike $3,305,090,000 and insert $3,205,090,000.

On page 19, line 2: Strike $1,450,100,000 and insert $1,400,100,000.

On page 49, line 13: Strike $38,175,000 and insert $30,427,248.

On page 51, line 15: Strike $5,140,000,000 and insert $5,100,000,000.

On page 63, line 13: Strike $179,738,000 and insert $175,738,000.

DEWINE (AND OTHERS) AMENDMENT NO. 1200

Mr. CAMPBELL (for Mr. DEWINE (for himself, Mr. ABRAHAM, Mr. BROWNBACK, Mr. SANTORUM, Mr. HELMS, Mr. ASHCROFT, Mr. HAGEL, Mr. MCCAIN, and Mr. NICKLES)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the end of title VI, add the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

LOTT (AND DASCHLE) AMENDMENT NO. 1201

Mr. CAMPBELL (for Mr. LOTT (for himself and Mr. DASCHLE)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. CONVEYANCE OF LAND TO THE COLUMBIA HOSPITAL FOR WOMEN.

(a) ADMINISTRATOR OF GENERAL SERVICES.—Subject to subsection (f) and such terms and conditions as the Administrator of General Services (in this section referred to as the ''Administrator'') shall require in accordance with this section, the Administrator shall convey to the Columbia Hospital for Women (formerly Columbia Hospital for Women and Lying-In Asylum; in this section referred to as ''Columbia Hospital''), located in Washington, District of Columbia, for $14,000,000 plus accrued interest to be paid in accordance with the terms set forth in subsection (d), all right, title, and interest of the United States in and to those pieces or parcels of land in the District of Columbia, described in subsection (b), together with all improvements thereon and appurtenances thereto. The purpose of this conveyance is to enable the expansion by Columbia Hospital of its Ambulatory Care Center, Betty Ford Breast Center, and the Columbia Hospital Center for Teen Health and Reproductive Toxicology Center.

(b) PROPERTY DESCRIPTION.—

(1) IN GENERAL.—The land referred to in subsection (a) was conveyed to the United States of America by deed dated May 2, 1888, from David Fergusson, widower, recorded in liber 1314, folio 102, of the land records of the District of Columbia, and is that portion of square numbered 25 in the city of Washington in the District of Columbia which was not previously conveyed to such hospital by the Act of June 28, 1952 (66 Stat. 287; chapter 486).

(2) PARTICULAR DESCRIPTION.—The property is more particularly described as square 25, lot 803, or as follows: all that piece or parcel of land situated and lying in the city of Washington in the District of Columbia and known as part of square numbered 25, as laid down and distinguished on the plat or plan of said city as follows: beginning for the same at the northeast corner of the square being the corner formed by the intersection of the west line of Twenty-fourth Street Northwest, with the south line of north M Street Northwest and running thence south with the line of said Twenty-fourth Street Northwest for the distance of two hundred and thirty-one feet ten inches, thence running west and parallel with said M Street Northwest for the distance of two hundred and thirty feet six inches and running thence north and parallel with the line of said Twenty-fourth Street Northwest for the distance of two hundred and thirty-one feet ten inches to the line of said M Street Northwest and running thence east with the line of said M Street Northwest to the place of beginning two hundred and thirty feet and six inches together with all the improvements, ways, easements, rights, privileges, and appurtenances to the same belonging or in anywise appertaining.

(c) DATE OF CONVEYANCE.—

(1) DATE.—The date of the conveyance of property required under subsection (a) shall be the date upon which the Administrator receives from Columbia Hospital written notice of its exercise of the purchase option granted by this section, which notice shall be accompanied by the first of 30 equal installment payments of $869,000 toward the total purchase price of $14,000,000, plus accrued interest.

(2) DEADLINE FOR CONVEYANCE OF PROPERTY.—Written notification and payment of the first installment payment from Columbia Hospital under paragraph (1) shall be ineffective, and the purchase option granted Columbia Hospital under this section shall lapse, if that written notification and installment payment are not received by the Administrator before the date which is 1 year after the date of enactment of this section.

(3) QUITCLAIM DEED.—Any conveyance of property to Columbia Hospital under this section shall be by quitclaim deed.

(d) CONVEYANCE TERMS.—

(1) IN GENERAL.—The conveyance of property required under subsection (a) shall be consistent with the terms and conditions set forth in this section and such other terms and conditions as the Administrator deems to be in the interest of the United States, including—

(A) the provision for the prepayment of the full purchase price if mutually acceptable to the parties;

(B) restrictions on the use of the described land for use of the purposes set out in subsection (a);

(C) the conditions under which the described land or interests therein may be sold, assigned, or otherwise conveyed in order to facilitate financing to fulfill its intended use; and

(D) the consequences in the event of default by Columbia Hospital for failing to pay all installments payments toward the total purchase price when due, including revision of the described property to the United States.

(2) PAYMENT OF PURCHASE PRICE.—Columbia Hospital shall pay the total purchase price of $14,000,000, plus accrued interest over the term at a rate of 4.5 percent annually, in equal installments of $869,000, for 29 years following the date of conveyance of the property and receipt of the initial installment of $869,000 by the Administrator under subsection (c)(1). Unless the full purchase price, plus accrued interest, is prepaid, the total amount paid for the property after 30 years will be $26,070,000.

(e) TREATMENT OF AMOUNTS RECEIVED.—Amounts received by the United States as payments under this section shall be paid into the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)), and may be expended by the Administrator for real property management and related activities not otherwise provided for, without further authorization.

(f) REVERSIONARY INTEREST.—

(1) IN GENERAL.—The property conveyed under subsection (a) shall revert to the United States, together with any improvements thereon—

(A) 1 year from the date on which Columbia Hospital defaults in paying to the United States an annual installment payment of $869,000, when due; or

(B) immediately upon any attempt by Columbia Hospital to assign, sell, or convey the described property before the United States has received full purchase price, plus accrued interest.

The Columbia Hospital shall execute and provide to the Administrator such written instruments and assurances as the Administrator may reasonably request to protect the interests of the United States under this subsection.

(2) RELEASE OF REVERSIONARY INTEREST.—The Administrator may release, upon request, any restriction imposed on the use of described property for the purposes of paragraph (1), and release any reversionary interest of the United States in the property conveyed under this subsection only upon receipt by the United States of full payment of the purchase price specified under subsection (d)(2).

(3) PROPERTY RETURNED TO THE GENERAL SERVICES ADMINISTRATION.—Any property that reverts to the United States under this subsection shall be under the jurisdiction, custody and control of the General Services Administration shall be available for use or disposition by the Administrator in accordance with applicable Federal law.

COLLINS (AND OTHERS) AMENDMENT NO. 1202

Mr. CAMPBELL (for Ms. COLLINS (for herself, Mr. CAMPBELL, Mr. DORGAN, Mr. INOUYE, Ms. SNOWE, Mr. HATCH, Mr. WYDEN, Mrs. LINCOLN, Mrs. MURRAY, Mr. LUGAR, Mr. COVERDELL, Mr. SHELBY, Mr. HELMS, Mr. ROBB, Mr. CLELAND, Mr. TORRICELLI, Mr. CONRAD, Mr. ABRAHAM, Mr. ALLARD, Mr. BROWNBACK, Mr. CHAFEE, Mr. DODD, Mr. ENZI, Mr. FEINGOLD, Mr. ASHCROFT, Mr. DURBIN, Mr. FITZGERALD, Mr. GORTON, Mr. GREGG, Mr. HAGEL, Mr. INHOFE, Mrs. LANDRIEU, Mr. REID, Mr. SPECTER, Mr. STEVENS, Mr. WELLSTONE, and Mr. THURMOND)) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. (a) Congress finds that—

(1) the Veterans of Foreign Wars of the United States (in this section referred to as the ''VFW''), which was formed by veterans of the Spanish-American War and the Philippine Insurrection to help secure rights and benefits for their service, will be celebrating its 100th anniversary in 1999;

(2) members of the VFW have fought, bled, and died in every war, conflict, police action,

and military intervention in which the United States has engaged during this century;

(3) over its history, the VFW has ably represented the interests of veterans in Congress and State Legislatures across the Nation and established a network of trained service officers who, at no charge, have helped millions of veterans and their dependents to secure the education, disability compensation, pension, and health care benefits they are rightfully entitled to receive as a result of the military service performed by those veterans:

(4) the VFW has also been deeply involved in national education projects, awarding nearly $2,700,000 in scholarships annually, as well as countless community projects initiated by its 10,000 posts; and

(5) the United States Postal Service has issued commemorative postage stamps honoring the VFW's 50th and 75th anniversaries, respectively.

(b) Therefore, it is the sense of the Senate that the United States Postal Service is encouraged to issue a commemorative postage stamp in honor of the 100th anniversary of the founding of the Veterans of Foreign Wars of the United States.

DEWINE (AND COVERDELL) AMENDMENT NO. 1203

Mr. CAMPBELL (for Mr. DEWINE (for himself and Mr. COVERDELL)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place in title I, insert the following:

SEC. . In addition to the amounts appropriated under this Act for the United States Customs Service, $336,900,000 are appropriated to the United States Customs Service for drug enforcement activities in accordance with section 813(a) of the Western Hemisphere Drug Elimination Act, of which—

(1) $258,500,000 shall be used for acquisition of up to six P–3B Slick and up to four P–3B AEW aircraft;

(2) $25,500,000 shall be used for operations and maintenance support for the P–3B Slick and P–3B AEW aircraft;

(3) $20,000,000 shall be used for construction of a hangar facility;

(4) $13,400,000 shall be used for the restoration, operation, and maintenance of a radar facility in the Caribbean region;

(5) $10,000,000 shall be used for the development and deployment of a commercial unclassified relocatable Passive Coherent Location system for the region to determine active smuggling air and sea corridors;

(6) $9,500,000 shall be used to perform surface interdiction in the Bahamian Island basic, Caribbean basin, and the Eastern Pacific in conjunction with U.S. Customs Service air program to support end game operations.

On page 17, line 16, strike ''$3,291,945,000'' and insert ''$3,091,077,000''.

On page 18, line 6, strike ''$3,305,090,000'' and insert ''$3,169,058,000''.

HUTCHISON (AND KYL) AMENDMENT NO. 1204

Mr. CAMPBELL (for Mrs. HUTCHISON (for herself and Mr. KYL)) proposed an amendment to the bill, S. 1282, supra; as follows:

Insert the following:

On page 13, line 24: Strike ''$1,670,747,000 and insert $1,720,747,000.

On page 15, line 6: Insert ''Provided, that $50,000,000 be provided to hire, train, deploy, and provide equipment for 500 new full-time, active-duty Customs inspectors.''

On page 10, line 18: Strike $200,054,000 and insert $199,081,000.

On page 67, line 21: Strike $91,584,000 and insert $89,814,000.

On page 53, line 3: Strike $624,896,000 and insert $590,110,000.

On page 58, line 8: Strike $120,198,000 and insert $109,344,000.

On page 62, line 26: Strike $27,422,000 and insert $25,805,000.

REID AMENDMENT NO. 1205

Mr. CAMPBELL (for Mr. REID) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 11, strike line 17, and insert the following: ''$39,320,000 may be used for the Youth Crime Gun Interdiction Initiative, of which $1,120,000 shall be provided for the purpose of expanding the program to include Las Vegas, Nevada, to allow, among other purposes, for the placement of six new agents in this area, with $1,120,000 being reimbursed from the Treasury Forfeiture Fund;''

On page 11, line 18, strike ''diction Initiative.''

BAUCUS AMENDMENT NO. 1206

Mr. DORGAN (for Mr. BAUCUS) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. (a) This section may be cited as the ''Post Office Community Partnership Act of 1999''.

(b) Section 404 of title 39, United States Code, is amended by striking subsection (b) and inserting the following:

''(b)(1) Before making a determination under subsection (a)(3) as to the necessity for the relocation, closing, consolidation, or construction of any post office, the Postal Service shall provide adequate notice to persons served by that post office of the intention of the Postal Service to relocate, close, consolidate, or construct that post office not later than 60 days before the final determination is made to relocate, close, consolidate, or construct.

''(2)(A) The notification under paragraph (1) shall be in writing, hand delivered or delivered by mail to persons served by that post office, and published in 1 or more newspapers of general circulation within the zip codes served by that post office.

''(B) The notification under paragraph (1) shall include—

''(i) an identification of the relocation, closing, consolidation, or construction of the post office involved;

''(ii) a summary of the reasons for the relocation, closing, consolidation, or construction;

''(iii) the proposed date for the relocation, closing, consolidation, or construction;

''(iv) notice of the opportunity of a hearing, if requested; and

''(v) notice of the opportunity for public comment, including suggestions.

''(3) Any person served by the post office that is the subject of a notification under paragraph (1) may offer an alternative relocation, closing, consolidation, or construction proposal during the 60-day period beginning on the date on which the notice is provided under paragraph (1).

''(4)(A) At the end of the period specified in paragraph (3), the Postal Service shall make a determination under subsection (a)(3). Before making a final determination, the Postal Service shall conduct a hearing, if requested by persons served by the post office that is the subject of a notice under paragraph (1). If a hearing is held under this paragraph, the persons served by such post office may present oral or written testimony with respect to the relocation, closing, consolidation, or construction of the post office.

''(B) In making a determination as to whether or not to relocate, close, consolidate, or construct a post office, the Postal Service shall consider—

''(i) the extent to which the post office is part of a core downtown business area;

''(ii) any potential effect of the relocation, closing, consolidation, or construction on the community served by the post office;

''(iii) whether the community served by the post office opposes a relocation, closing, consolidation, or construction;

''(iv) any potential effect of the relocation, closing, consolidation, or construction on employees of the Postal Service employed at the post office;

''(v) whether the relocation, closing, consolidation, or construction of the post office is consistent with the policy of the Government under section 101(b) that requires the Postal Service to provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns in which post offices are not self-sustaining;

''(vi) the quantified long-term economic saving to the Postal Service resulting from the relocation, closing, consolidation, or construction;

''(vii)(I) the adequacy of the existing post office; and

''(II) whether all reasonable alternatives to relocation, closing, consolidation, or construction have been explored; and

''(viii) any other factor that the Postal Service determines to be necessary for making a determination whether to relocate, close, consolidate, or construct that post office.

''(C) In making a determination as to whether or not to relocate, close, consolidate, or construct a post office, the Postal Service may not consider compliance with any provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

''(5)(A) Any determination of the Postal Service to relocate, close, consolidate, or construct a post office shall be in writing and shall include the findings of the Postal Service with respect to the considerations required to be made under paragraph (4).

''(B) The Postal Service shall respond to all of the alternative proposals described in paragraph (3) in a consolidated report that includes—

''(i) the determination and findings under subparagraph (A); and

''(ii) each alternative proposal and a response by the Postal Service.

''(C) The Postal Service shall make available to the public a copy of the report prepared under subparagraph (B) at the post office that is the subject of the report.

''(6)(A) The Postal Service shall take no action to relocate, close, consolidate, or construct a post office until the applicable date described in subparagraph (B).

''(B) The applicable date specified in this subparagraph is—

''(i) if no appeal is made under paragraph (7), the end of the 30-day period specified in that paragraph; or

''(ii) if an appeal is made under paragraph (7), the date on which a determination is

made by the Commission under paragraph 7(A), but not later than 120 days after the date on which the appeal is made.

''(7)(A) A determination of the Postal Service to relocate, close, consolidate, or construct any post office may be appealed by any person served by that post office to the Postal Rate Commission during the 30-day period beginning on the date on which the report is made available under paragraph (5). The Commission shall review the determination on the basis of the record before the Postal Service in the making of the determination. The Commission shall make a determination based on that review not later than 120 days after appeal is made under this paragraph.

''(B) The Commission shall set aside any determination, findings, and conclusions of the Postal Service that the Commission finds to be—

''(i) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

''(ii) without observance of procedure required by law; or

''(iii) unsupported by substantial evidence on the record.

''(C) The Commission may affirm the determination of the Postal Service that is the subject of an appeal under subparagraph (A) or order that the entire matter that is the subject of that appeal be returned for further consideration, but the Commission may not modify the determination of the Postal Service. The Commission may suspend the effectiveness of the determination of the Postal Service until the final disposition of the appeal.

''(D) The provisions of sections 556 and 557, and chapter 7 of title 5 shall not apply to any review carried out by the Commission under this paragraph.

''(E) A determination made by the Commission shall not be subject to judicial review.

''(8) In any case in which a community has in effect procedures to address the relocation, closing, consolidation, or construction of buildings in the community, and the public participation requirements of those procedures are more stringent than those provided in this subsection, the Postal Service shall apply those procedures to the relocation, closing, consolidation, or construction of a post office in that community in lieu of applying the procedures established in this subsection.

''(9) In making a determination to relocate, close, consolidate, or construct any post office, the Postal Service shall comply with any applicable zoning, planning, or land use laws (including building codes and other related laws of State or local public entities, including any zoning authority with jurisdiction over the area in which the post office is located).

''(10) The relocation, closing, consolidation, or construction of any post office under this subsection shall be conducted in accordance with the National Historic Preservation Act (16 U.S.C. 470h–2).

''(11) Nothing in this subsection shall be construed to apply to a temporary customer service facility to be used by the Postal Service for a period of less than 60 days.

''(12)(A) For purposes of this paragraph the term 'emergency' means any occurrence that forces an immediate relocation from an existing facility, including natural disasters, fire, health and safety factors, and lease terminations.

''(B) If the Postmaster General makes a determination that an emergency exists relating to a post office, the Postmaster General may suspend the application of the provisions of this subsection for a period not to exceed 180 days with respect to such post office.

''(C) The Postmaster General may exercise the suspension authority under subparagraph (A) once with respect to a single emergency for any specific post office.''.

SCHUMER AMENDMENT NO. 1207

Mr. DORGAN (for Mr. SCHUMER) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. ITEMIZED INCOME TAX RECEIPT.

(a) IN GENERAL.—Not later than April 15, 2000, the Secretary of the Treasury shall establish an interactive program on an Internet website where any taxpayer may generate an itemized receipt showing a proportionate allocation (in money terms) of the taxpayer's total tax payments among the major expenditure categories.

(b) INFORMATION NECESSARY TO GENERATE RECEIPT.—For purposes of generating an itemized receipt under subsection (a), the interactive program—

(1) shall only require the input of the taxpayer's total tax payments, and

(2) shall not require any identifying information relating to the taxpayer.

(c) TOTAL TAX PAYMENTS.—For purposes of this section, total tax payments of an individual for any taxable year are—

(1) the tax imposed by subtitle A of the Internal Revenue Code of 1986 for such taxable year (as shown on his return), and

(2) the tax imposed by section 3101 of such Code on wages received during such taxable year.

(d) CONTENT OF TAX RECEIPT.—

(1) MAJOR EXPENDITURE CATEGORIES.—For purposes of subsection (a), the major expenditure categories are:

(A) National defense.

(B) International affairs.

(C) Medicaid.

(D) Medicare.

(E) Means-tested entitlements.

(F) Domestic discretionary.

(G) Social Security.

(H) Interest payments.

(I) All other.

(2) OTHER ITEMS ON RECEIPT.—

(A) IN GENERAL.—In addition, the tax receipt shall include selected examples of more specific expenditure items, including the items listed in subparagraph (B), either at the budget function, subfunction, or program, project, or activity levels, along with any other information deemed appropriate by the Secretary of the Treasury and the Director of the Office of Management and Budget to enhance taxpayer understanding of the Federal budget.

(B) LISTED ITEMS.—The expenditure items listed in this subparagraph are as follows:

(i) Public schools funding programs.

(ii) Student loans and college aid.

(iii) Low-income housing programs.

(iv) Food stamp and welfare programs.

(v) Law enforcement, including the Federal Bureau of Investigation, law enforcement grants to the States, and other Federal law enforcement personnel.

(vi) Infrastructure, including roads, bridges, and mass transit.

(vii) Farm subsidies.

(viii) Congressional Member and staff salaries.

(ix) Health research programs.

(x) Aid to the disabled.

(xi) Veterans health care and pension programs.

(xii) Space programs.

(xiii) Environmental cleanup programs.

(xiv) United States embassies.

(xv) Military salaries.

(xvi) Foreign aid.

(xvii) Contributions to the North Atlantic Treaty Organization.

(xviii) Amtrak.

(xix) United States Postal Service.

(e) COST.—No charge shall be imposed to cover any cost associated with the production or distribution of the tax receipt.

(f) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out this section.

MOYNIHAN (AND SCHUMER) AMENDMENT NO. 1208

Mr. CAMPBELL (for Mr. MOYNIHAN (for himself and Mr. SCHUMER)) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 56, line 3, after ''and'', insert the following: ''$5,870,000 shall be available for repairs to and alterations of the Federal courthouse at 40 Centre Street, New York, New York, and''.

HARKIN AMENDMENT NO. 1209

Mr. DORGAN (for Mr. HARKIN (for himself and Mr. EDWARDS)) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 47, strike lines 9 through 11 and insert in lieu thereof the following: ''Area Program, $205,277,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which $10,000,000 shall be used for methamphetamine programs above the sums allocated in fiscal year 1999 and otherwise provided for in this legislation with no less than half of the $10,000,000 going to areas solely dedicated to fighting methamphetamine usage, of which''

Amend page 53, line 3 by reducing the dollar figure by $17,000,000;

Amend page 51, line 15 by reducing the first dollar figure by $17,000,000.

SCHUMER AMENDMENT NO. 1210

Mr. DORGAN (for Mr. SCHUMER) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. TARGETED GUN DEALER ENFORCEMENT ACT OF 1999.

(a) SHORT TITLE.—This section may be cited as the ''Targeted Gun Dealer Enforcement Act of 1999''.

(b) REGULATION OF LICENSED DEALERS.—

(1) PROHIBITION ON STRAW PURCHASES.—

(A) IN GENERAL.—Section 922(a)(6) of title 18, United States Code, is amended by inserting '', or with respect to the identity of the person in fact purchasing or attempting to purchase such firearm or ammunition,'' before ''under the''.

(B) PENALTIES.—Section 924(a)(3) of title 18, United States Code, is amended by adding at the end the following: ''Notwithstanding the preceding sentence, a violation in relation to section 922(a)(6) or 922(d) by a licensed dealer, licensed importer, licensed manufacturer, or licensed collector shall be

subject to the penalties under paragraph (2) of this subsection.''.

(2) NOTIFICATION OF STATE LAW REGARDING CARRYING CONCEALED FIREARMS.—Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

''(z) NOTIFICATION OF STATE REQUIREMENTS.—It shall be unlawful for a licensed dealer to transfer a firearm to any person, unless the dealer notifies that person whether applicable State law requires persons to be licensed to carry concealed firearms in the State, or prohibits the carrying of concealed firearms in the State.''.

(3) REVOCATION OR SUSPENSION OF LICENSE; CIVIL PENALTIES.—Section 923 of title 18, United States Code, is amended by striking subsections (e) and (f) and inserting the following:

''(e) REVOCATION OR SUSPENSION OF LICENSE; CIVIL PENALTIES.—

''(1) IN GENERAL.—The Secretary may, after notice and opportunity for hearing—

''(A) suspend or revoke any license issued under this section, if the holder of such license—

''(i) willfully violates any provision of this chapter or any rule or regulation prescribed by the Secretary under this chapter; or

''(ii) fails to have secure gun storage or safety devices available at any place in which firearms are sold under the license to persons who are not licensees (except that in any case in which a secure gun storage or safety device is temporarily unavailable because of theft, casualty loss, consumer sales, backorders from a manufacturer, or any other similar reason beyond the control of the licensee, the licensed dealer shall not be considered to be in violation of the requirement to make available such a device);

''(B) suspend or revoke the license issued under this section to a dealer who willfully transfers armor piercing ammunition; and

''(C) assess and collect a civil penalty of not more than $10,000 per violation against any holder of a license, if the Secretary is authorized to suspend or revoke the license of that holder under subparagraph (A) or (B).

''(2) LIABILITY.—The Secretary may at any time compromise, mitigate, or remit the liability with respect to any willful violation of this subsection or any rule or regulation prescribed by the Secretary under this subsection.

''(3) REVIEW.—An action of the Secretary under this subsection may be reviewed only as provided in subsection (f).

''(4) NOTIFICATION REQUIREMENT.—Not less than once every 6 months, the Secretary shall notify each licensed manufacturer and each licensed dealer of the name, address, and license number of each dealer whose license was suspended or revoked under this section during the preceding 6-month period.

''(f) RIGHTS OF APPLICANTS AND LICENSEES.—

''(1) IN GENERAL.—If the Secretary denies an application for, or revokes or suspends a license, or assesses a civil penalty under this section, the Secretary shall provide written notice of such denial, revocation, suspension, or assessment to the affected party, stating specifically the grounds upon which the application was denied, the license was suspended or revoked, or the civil penalty was assessed. Any notice of a revocation or suspension of a license under this paragraph shall be given to the holder of such license before the effective date of the revocation or suspension, as applicable.

''(2) APPEAL PROCESS.—

''(A) HEARING.—If the Secretary denies an application for, or revokes or suspends a license, or assesses a civil penalty under this section, the Secretary shall, upon request of the aggrieved party, promptly hold a hearing to review the denial, revocation, suspension, or assessment. A hearing under this subparagraph shall be held at a location convenient to the aggrieved party.

''(B) NOTICE OF DECISION; APPEAL.—If, after a hearing held under subparagraph (A), the Secretary decides not to reverse the decision of the Secretary to deny the application, revoke or suspend the license, or assess the civil penalty, as applicable—

''(i) the Secretary shall provide notice of the decision of the Secretary to the aggrieved party;

''(ii) during the 60-day period beginning on the date on which the aggrieved party receives a notice under clause (i), the aggrieved party may file a petition with the district court of the United States for the judicial district in which the aggrieved party resides or has a principal place of business for a de novo judicial review of such denial, revocation, suspension, or assessment;

''(iii) in any judicial proceeding pursuant to a petition under clause (ii)—

''(I) the court may consider any evidence submitted by the parties to the proceeding, regardless of whether or not such evidence was considered at the hearing held under subparagraph (A); and

''(II) if the court decides that the Secretary was not authorized to make such denial, revocation, suspension, or assessment, the court shall order the Secretary to take such actions as may be necessary to comply with the judgment of the court.

''(3) STAY PENDING APPEAL.—If the Secretary suspends or revokes a license under this section, upon the request of the holder of the license, the Secretary shall stay the effective date of the revocation, suspension, or assessment.''.

(4) EFFECT OF CONVICTION.—Section 925(b) of title 18, United States Code, is amended by striking ''until any conviction pursuant to the indictment becomes final'' and inserting ''until the date of any conviction pursuant to the indictment''.

(5) REGULATION OF HIGH-VOLUME CRIME GUN DEALERS.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

''(8) HIGH-VOLUME CRIME GUN DEALERS.—

''(A) DEFINITION.—In this paragraph, the term 'high-volume crime gun dealer' means any licensed dealer with respect to which a designation under subparagraph (B)(i) is in effect, as provided in subparagraph (B)(ii).

''(B) DESIGNATION OF HIGH-VOLUME CRIME GUN DEALERS.—

''(i) IN GENERAL.—The Secretary shall designate a licensed dealer as a high-volume crime gun dealer—

''(I) as soon as practicable, if the Secretary determines that the licensed dealer sold, delivered, or otherwise transferred to 1 or more persons not licensed under this chapter not less than 25 firearms that, during the preceding calendar year, were used during the commission or attempted commission of a criminal offense under Federal, State, or local law, or were possessed in violation of Federal, State, or local law; or

''(II) immediately upon the expiration date of a suspension of the license of that dealer for a willful violation of this chapter, if such violation involved 1 or more firearms that were subsequently used during the commission or attempted commission of a criminal offense under Federal, State, or local law.

''(ii) EFFECTIVE PERIOD OF DESIGNATION.—A designation under clause (i) shall remain in effect during the period beginning on the date on which the designation is made and ending on the later of—

''(I) the expiration of the 18-month period beginning on that date; or

''(II) the date on which the license issued to that dealer under this section expires.

''(C) NOTIFICATION REQUIREMENT.—Upon the designation of a licensed dealer as a high-volume crime gun dealer under subparagraph (B), the Secretary shall notify the appropriate United States attorney's office, the appropriate State and local law enforcement agencies (including the district attorney's offices and the police or sheriff's departments), and each State and local agency responsible for the issuance of business licenses in the jurisdiction in which the high-volume crime gun dealer is located of such designation.

''(D) REPORTING AND RECORDKEEPING REQUIREMENTS.—Notwithstanding any other provision of this paragraph—

''(i) not later than 10 days after the date on which a handgun is sold, delivered, or otherwise transferred by a high-volume crime gun dealer to a person not licensed under this chapter, the high-volume crime gun dealer shall submit to the Secretary and to the department of State police or State law enforcement agency of the State or local jurisdiction in which the sale, delivery, or transfer took place, on a form prescribed by the Secretary, a report of the sale, delivery, or transfer, which report shall include—

''(I) the manufacturer or importer of the handgun;

''(II) the model, type, caliber, gauge, and serial number of the handgun; and

''(III) the name, address, date of birth, and height and weight of the purchaser or transferee, as applicable;

''(ii) each high-volume crime gun dealer shall submit to the Secretary, on a form prescribed by the Secretary, a monthly report of each firearm received and each firearm disposed of by the dealer during that month, which report shall include only the name of the manufacturer or importer and the model, type, caliber, gauge, serial number, date of receipt, and date of disposition of each such firearm, except that the initial report submitted by a dealer under this clause shall include such information with respect to the entire inventory of the high-volume crime gun dealer; and

''(iii) a high-volume crime gun dealer may not destroy any record required to be maintained under paragraph (1)(A).

''(E) INSPECTION.—Notwithstanding paragraph (1), the Secretary may inspect or examine the inventory and records of a high-volume crime gun dealer at any time without a showing of reasonable cause or a warrant for purposes of determining compliance with the requirements of this chapter.

''(F) RECORDKEEPING BY LOCAL POLICE DEPARTMENTS.—Notwithstanding paragraph (3)(B), a State or local law enforcement agency that receives a report under subparagraph (D)(i) may retain a copy of that record for not more than 5 years.

''(G) LICENSE RENEWAL.—Notwithstanding subsection (d)(2), the Secretary shall approve or deny an application for a license submitted by a high-volume crime gun dealer before the expiration of the 120-day period beginning on the date on which the application is received.

''(H) EFFECT OF FAILURE TO COMPLY.—

''(i) IN GENERAL.—Notwithstanding subsection (e), the Secretary shall, after notice and an opportunity for a hearing—

''(I) suspend for not less than 90 days any license issued under this section to a high-

volume crime gun dealer who willfully violates any provision of this section (including any requirement of this paragraph);

''(II) revoke any license issued under this section to a high-volume crime gun dealer who willfully violates any provision of this section (including any requirement of this paragraph) and who has committed a prior willful violation of any provision of this section (including any requirement of this paragraph); and

''(III) revoke any license issued under this section to a high-volume crime gun dealer who willfully violates any provision of section 922 or 924.

''(ii) STAY PENDING APPEAL.—Notwithstanding subsection (f)(3), the Secretary may not stay the effective date of a suspension or revocation under this subparagraph pending an appeal.''.

(c) ENHANCED ABILITY TO TRACE FIREARMS.—

(1) VOLUNTARY SUBMISSION OF DEALER'S RECORDS.—Section 923(g)(4) of title 18, United States Code, is amended to read as follows:

''(4) VOLUNTARY SUBMISSION OF DEALER'S RECORDS.—

''(A) BUSINESS DISCONTINUED.—

''(i) SUCCESSOR.—When a firearms or ammunition business is discontinued and succeeded by a new licensee, the records required to be kept by this chapter shall appropriately reflect that fact and shall be delivered to the successor. Upon receipt of those records, the successor licensee may retain the records of the discontinued business or submit the discontinued business records to the Secretary.

''(ii) NO SUCCESSOR.—When a firearms or ammunition business is discontinued without a successor, records required to be kept by this chapter shall be delivered to the Secretary within 30 days after the business is discontinued.

''(B) OLD RECORDS.—A licensee maintaining a firearms business may voluntarily submit the records required to be kept by this chapter to the Secretary if such records are at least 20 years old.

''(C) STATE OR LOCAL REQUIREMENTS.—If State law or local ordinance requires the delivery of records regulated by this paragraph to another responsible authority, the Secretary may arrange for the delivery of records to such other responsible authority.''

(2) CENTRALIZATION AND MAINTENANCE OF RECORDS.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

''(9) CENTRALIZATION AND MAINTENANCE OF RECORDS BY SECRETARY.—Notwithstanding any other provision of law, the Secretary—

''(A) may receive and centralize any information or records submitted to the Secretary under this chapter and maintain such information or records in whatever manner will enable their most efficient use in law enforcement investigations; and

''(B) shall retain a record of each firearms trace conducted by the Secretary, unless the Secretary determines that there is a valid law enforcement reason not to retain the record.''.

(3) LICENSEE REPORTS OF SECONDHAND FIREARMS.—Section 923(g) of title 18, United States Code, is amended by adding at the end the following:

''(10) LICENSEE REPORTS OF SECONDHAND FIREARMS.—A licensed importer, licensed manufacturer, and licensed dealer shall submit to the Secretary, on a form prescribed by the Secretary, a monthly report of each firearm received from a person not licensed under this chapter during that month, which report shall not include any identifying information relating to the transferor or any subsequent purchaser.''.

(d) GENERAL REGULATION OF FIREARMS TRANSFERS.—

(1) TRANSFERS OF CRIME GUNS.—Section 924(h) of title 18, United States Code, is amended by inserting ''or having reasonable cause to believe'' after ''knowing''.

(2) INCREASED PENALTIES FOR TRAFFICKING IN FIREARMS WITH OBLITERATED SERIAL NUMBERS.—Section 924(a) of title 18, United States Code, is amended—

(A) in paragraph (1)(B), by striking ''(k),''; and

(B) in paragraph (2), by inserting ''(k),'' after ''(j),''.

(e) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—The United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

LANDRIEU (AND JEFFORDS) AMENDMENT NO. 1211

Mr. DORGAN (for Mrs. LANDRIEU (for herself, and Mr. JEFFORDS)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, add the following:

TITLE ____—CHILD CARE CENTERS IN FEDERAL FACILITIES

SECTION 1. SHORT TITLE.

This title may be cited as the ''Federal Employees Child Care Act''.

SEC. ___2. DEFINITIONS.

In this title (except as otherwise provided in section ___4):

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(A) does not include the Department of Defense and the Coast Guard; and

(B) includes the General Services Administration, with respect to the administration of a facility described in paragraph (3)(B).

(3) EXECUTIVE FACILITY.—The term ''executive facility''—

(A) means a facility that is owned or leased by an Executive agency; and

(B) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(4) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office (other than a facility that is also a facility described in paragraph (3)(B)).

(5) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(6) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(7) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

SEC. ___3. FEDERAL CHILD CARE EVALUATION.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator and the Director of the Office of Personnel Management shall jointly prepare and submit to Congress a report that evaluates child care provided by entities sponsoring child care facilities in executive facilities, legislative facilities, or judicial facilities.

(b) CONTENTS.—The evaluation shall contain, at a minimum—

(1) information on the number of children receiving child care described in subsection (a), analyzed by age, including information on the number of those children who are age 6 through 12;

(2) information on the number of families not using child care described in subsection (a) because of the cost of the child care; and

(3) recommendations for improving the quality and cost effectiveness of child care described in subsection (a), including recommendations of options for creating an optimal organizational structure and using best practices for the delivery of the child care.

SEC. ___4. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—In addition to services authorized to be provided by an agency of the United States pursuant to section 616 of the Act of December 22, 1987 (40 U.S.C. 490b), an Executive agency that provides or proposes to provide child care services for Federal employees may use agency funds to provide the child care services, in a facility that is owned or leased by an Executive agency, or through a contractor, for civilian employees of the agency.

(b) AFFORDABILITY.—Funds so used with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by the facility or contractor.

(c) REGULATIONS.—The Administrator after consultation with the Director of the Office of Personnel Management, shall, within 180 days after the date of enactment of this Act, issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term ''Executive agency'' has the meaning given the term by section 105 of title 5, United States Code, but does not include the General Accounting Office.

SEC. ___5. MISCELLANEOUS PROVISIONS RELATING TO CHILD CARE PROVIDED BY FEDERAL AGENCIES.

(a) AVAILABILITY OF FEDERAL CHILD CARE CENTERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—Section 616 of the Act of December 22, 1987 (40 U.S.C. 490b) is amended—

(1) in subsection (a)—

(A) by striking ''officer or agency of the United States'' and inserting ''Federal agency or officer of a Federal agency''; and

(B) by striking paragraphs (2) and (3) and inserting the following:

''(2) the officer or agency determines that the space will be used to provide child care and related services to—

''(A) children of Federal employees or onsite Federal contractors; or

''(B) dependent children who live with Federal employees or onsite Federal contractors; and

''(3) the officer or agency determines that the individual or entity will give priority for available child care and related services in the space to Federal employees and onsite Federal contractors.''; and

(2) by adding at the end the following:

''(e)(1)(A) The Administrator of General Services shall confirm that at least 50 percent of aggregate enrollment in Federal child care centers governmentwide are children of Federal employees or onsite Federal contractors, or dependent children who live with Federal employees or onsite Federal contractors.

''(B) Each provider of child care services at an individual Federal child care center shall

maintain 50 percent of the enrollment at the center of children described under subparagraph (A) as a goal for enrollment at the center.

''(C)(i) If enrollment at a center does not meet the percentage goal under subparagraph (B), the provider shall develop and implement a business plan with the sponsoring Federal agency to achieve the goal within a reasonable timeframe.

''(ii) The plan shall be approved by the Administrator of General Services based on—

''(I) compliance of the plan with standards established by the Administrator; and

''(II) the effect of the plan on achieving the aggregate Federal enrollment percentage goal.

''(2) The Administrator of General Services Administration may enter into public-private partnerships or contracts with nongovernmental entities to increase the capacity, quality, affordability, or range of child care and related services and may, on a demonstration basis, waive subsection (a)(3) and paragraph (1) of this subsection.''.

(b) PAYMENT OF COSTS OF TRAINING PROGRAMS.—Section 616(b)(3) of such Act (40 U.S.C. 490b(b)(3)) is amended to read as follows:

''(3) If a Federal agency has a child care facility in a Federal space, or is a sponsoring agency for a child care facility in a Federal space, the agency or the General Services Administration may pay accreditation fees, including renewal fees, for that center to be accredited. Any Federal agency that provides or proposes to provide child care services for children referred to in subsection (a)(2), may reimburse any Federal employee or any person employed to provide the services for the costs of training programs, conferences, and meetings and related travel, transportation, and subsistence expenses incurred in connection with those activities. Any per diem allowance made under this section shall not exceed the rate specified in regulations prescribed under section 5707 of title 5, United States Code.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 616(c) of such Act (40 U.S.C. 490b(c)) is amended—

(1) by inserting ''Federal'' before ''child care centers''; and

(2) by striking ''Federal workers'' and inserting ''Federal employees''.

(d) PROVISION OF CHILD CARE BY PRIVATE ENTITIES.—Section 616(d) of such Act (40 U.S.C. 490b(d)) is amended to read as follows:

''(d)(1) If a Federal agency has a child care facility in a Federal space, or is a sponsoring agency for a child care facility in a Federal space, the agency, the child care center board of directors, or the General Services Administration may enter into an agreement with 1 or more private entities under which the private entities would assist in defraying the general operating expenses of the child care providers including salaries and tuition assistance programs at the facility.

''(2)(A) Notwithstanding any other provision of law, if a Federal agency does not have a child care program, or if the Administrator of General Services has identified a need for child care for Federal employees at a Federal agency providing child care services that do not meet the requirements of subsection (a), the agency or the Administrator may enter into an agreement with a non-Federal, licensed, and accredited child care facility, or a planned child care facility that will become licensed and accredited, for the provision of child care services for children of Federal employees.

''(B) Before entering into an agreement, the head of the Federal agency shall determine that child care services to be provided through the agreement are more cost effectively provided through the arrangement than through establishment of a Federal child care facility.

''(C) The Federal agency may provide any of the services described in subsection (b)(3) if, in exchange for the services, the facility reserves child care spaces for children referred to in subsection (a)(2), as agreed to by the parties. The cost of any such services provided by a Federal agency to a Federal child care facility on behalf of another Federal agency shall be reimbursed by the receiving agency.

''(3) This subsection does not apply to residential child care programs.''.

(e) PILOT PROJECTS.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(f)(1) Upon approval of the agency head, a Federal agency may conduct a pilot project not otherwise authorized by law for no more than 2 years to test innovative approaches to providing alternative forms of quality child care assistance for Federal employees. A Federal agency head may extend a pilot project for an additional 2-year period. Before any pilot project may be implemented, a determination shall be made by the agency head that initiating the pilot project would be more cost-effective than establishing a new Federal child care facility. Costs of any pilot project shall be paid solely by the agency conducting the pilot project.

''(2) The Administrator of General Services shall serve as an information clearinghouse for pilot projects initiated by other Federal agencies to disseminate information concerning the pilot projects to the other Federal agencies.

''(3) Within 6 months after completion of the initial 2-year pilot project period, a Federal agency conducting a pilot project under this subsection shall provide for an evaluation of the impact of the project on the delivery of child care services to Federal employees, and shall submit the results of the evaluation to the Administrator of General Services. The Administrator shall share the results with other Federal agencies.''.

(f) BACKGROUND CHECK.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(g) Each Federal child care center located in a Federal space shall ensure that each employee of the center (including any employee whose employment began before the date of enactment of this subsection) shall undergo a criminal history background check consistent with section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041).''.

(g) DEFINITIONS.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

''(h) In this section:

''(1) The term 'Federal agency' has the meaning given the term 'Executive agency' in section ___2 of the Federal Employees Child Care Act.

''(2) The terms 'Federal building' and 'Federal space' have the meanings given the term 'executive facility' in such section ___2.

''(3) The term 'Federal child care center' means a child care center in an executive facility, as defined in such section ___2.

''(4) The terms 'Federal contractor' and 'Federal employee' mean a contractor and an employee, respectively, of an Executive agency, as defined in such section ___2.''.

WELLSTONE AMENDMENT NO. 1212

Mr. DORGAN (for Mr. WELLSTONE) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. EVALUATION OF OUTCOME OF WELFARE REFORM AND FORMULA FOR BONUSES TO HIGH PERFORMANCE STATES.

(a) ADDITIONAL MEASURES OF STATE PERFORMANCE.—Section 403(a)(4)(C) of the Social Security Act (42 U.S.C. 603(a)(4)(C)) is amended—

(1) by striking ''Not later'' and inserting the following:

''(i) IN GENERAL.—Not later'';

(2) by inserting ''The formula shall provide for the awarding of grants under this paragraph based on criteria contained in clause (ii) and in accordance with clauses (iii), (iv), and (v).'' after the period; and

(3) by adding at the end the following:

''(ii) FORMULA CRITERIA.—The grants awarded under this paragraph shall be based on—

''(I) employment-related measures, including work force entries, job retention, and increases in household income of current recipients of assistance under the State program funded under this title;

''(II) the percentage of former recipients of such assistance (who have ceased to receive such assistance for not more than 6 months) who receive subsidized child care;

''(III) the improvement since 1995 in the proportion of children in working poor families eligible for food stamps that receive food stamps to the total number of children in the State and

''(IV) the percentage of members of families which are former recipients of assistance under the State program funded under this title (which have ceased to receive such assistance for not more than 6 months) who currently receive medical assistance under the State plan approved under title XIX or the child health assistance under title XXI.

For purposes of subclause (III), the term 'working poor families' means families which receives earnings equal to at least the comparable amount which would be received by an individual working a half-time position for minimum wage.

''(iii) EMPLOYMENT RELATED MEASURES.—Not less than $100,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on scores for the criteria described in clause (ii)(I) and the criteria described in clause (ii)(II) with respect employed former recipients.

''(iv) FOOD STAMP MEASURES.—Not less than $50,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on scores for the criteria described in clause (ii)(III).

''(v) MEDICAID AND SCHIP CRITERIA.—Not less than $50,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on scores for the criteria described in clause (ii)(IV).''.

(b) DATA COLLECTION AND REPORTING.—Section 411(a) of the Social Security Act (42 U.S.C. 611(a)) is amended by adding at the end the following:

''(8) REPORT ON OUTCOME OF WELFARE REFORM FOR STATES NOT PARTICIPATING IN BONUS GRANTS UNDER SECTION 403(a)(4).—

''(A) IN GENERAL.—In the case of a State which does not participate in the procedure for awarding grants under section 403(a)(4) pursuant to regulations prescribed by the Secretary, the report required by paragraph

(1) for a fiscal quarter shall include data regarding the characteristics and well-being of former recipients of assistance under the State program funded under this title for an appropriate period of time after such recipient has ceased receiving such assistance.

''(B) CONTENTS.—The data required under subparagraph (A) shall consist of information regarding former recipients, including—

''(i) employment status;

''(ii) job retention;

''(iii) poverty status;

''(iv) receipt of food stamps, medical assistance under the State plan approved under title XIX or child health assistance under title XXI, or subsidized child care;

''(v) accessibility of child care and child care cost; and

''(vi) measures of hardship, including lack of medical insurance and difficulty purchasing food.

''(C) SAMPLING.—A State may comply with this paragraph by using a scientifically acceptable sampling method approved by the Secretary.

''(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to ensure that—

''(i) data reported under this paragraph is in such a form as to promote comparison of data among States; and

''(ii) a State reports, for each measure, changes in data over time and comparisons in data between such former recipients and comparable groups of current recipients.''.

(c) REPORT OF CURRENTLY COLLECTED DATA.—Not later than July 1, 2000, the Secretary of Health and Human Services shall transmit to Congress a report regarding earnings and employment characteristics of former recipients of assistance under the State program funded under this part, based on information currently being received from States. Such report shall consist of a longitudinal record for a sample of States, which represents at least 80 percent of the population of each State, including a separate record for each of fiscal years 1997 through 2000 for—

(1) earnings of a sample of former recipients using unemployment insurance data;

(2) earnings of a sample of food stamp recipients using unemployment insurance data and

(3) earnings of a sample of current recipient of assistance using unemployment insurance data.

(d) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) applies to each of fiscal years 2000 through 2003.

(2) The amendment made by subsection (b) applies to reports in fiscal years beginning in fiscal year 2000.

TORRICELLI (AND OTHERS) AMENDMENT NO. 1213

Mr. DORGAN (for Mr. TORRICELLI (for himself, Mr. LIEBERMAN, Mr. DODD, and Mr. LAUTENBERG)) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. PROHIBITION ON IMPOSITION OF DISCRIMINATORY COMMUTER TAXES BY POLITICAL SUBDIVISIONS OF STATES.

(a) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following:

''§ 116. Prohibition on imposition of discriminatory commuter taxes by political subdivisions of States

''A political subdivision of a State may not impose a tax on income earned within such political subdivision by nonresidents of the political subdivision unless the effective rate of such tax imposed on such nonresidents who are residents of such State is not less than such rate imposed on such nonresidents who are not residents of such State.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following:

''116. Prohibition on imposition of discriminatory commuter taxes by political subdivisions of States.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of enactment of this Act.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 1214

Mr. DORGAN (for Mr. LAUTENBERG (for himself and Mrs. HUTCHISON, Mr. BYRD, Mr. HOLLINGS, Mr. HARKIN, and Mr. JOHNSON)) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place, insert the following:

SEC. ____. INCLUSION OF ALCOHOL ABUSE BY MINORS IN NATIONAL ANTI-DRUG MEDIA CAMPAIGN.

(a) IN GENERAL.—The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277) is amended—

(1) in section 101(h) of division A (the Treasury Department Appropriations Act, 1999), in title III under the heading ''FEDERAL DRUG CONTROL PROGRAMS—SPECIAL FORFEITURE FUND (INCLUDING TRANSFER OF FUNDS)'', by inserting ''(including the use of alcohol by individuals who have not attained 21 years of age)'' after ''drug use among young Americans'';

(b) OFFICE OF NATIONAL DRUG CONTROL POLICY REAUTHORIZATION ACT OF 1998.—Section 704(b) of the Office of National Drug Control Policy Reauthorization Act of 1998 (title VII of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277)) is amended—

(1) in paragraph (14), by striking ''and'' after the semicolon;

(2) in paragraph (15), by striking the period and inserting ''; and'', and by adding at the end the following:

''(16) shall conduct a national media campaign in accordance with the Drug-Free Media Campaign Act of 1998 (including with respect to the use of alcohol by individuals who have not attained 21 years of age).''.

(c) DRUG-FREE MEDIA CAMPAIGN ACT OF 1998.—The Drug-Free Media Campaign Act of 1998 (subtitle A of title I of division D of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277)) is amended—

(1) in section 102(a), by inserting before the period the following: '', and use of alcohol by individuals in the United States who have not attained 21 years of age''; and

(2) in section 103(a)(1)(H), by inserting after ''antidrug messages'' the following: ''and messages discouraging underage alcohol consumption,''.

GRAHAM AMENDMENTS NOS. 1215–1216

Mr. DORGAN (for Mr. GRAHAM) proposed two amendments to the bill, S. 1282, supra; as follows:

AMENDMENT NO. 1215

At the appropriate place, insert the following:

SEC. ____. Amounts provided for the Office of National Drug Control Policy in this Act are hereby increased by $2,500,000, to be available for the funding for law enforcement in the High Intensity Drug Trafficking Area associated with Jacksonville, Florida. Amounts provided for General Services Administration building operations in this Act are reduced by $2,500,000.

AMENDMENT NO. 1216

On page 15, line 2, after the colon, insert the following: ''*Provided further*, That the number of Customs Service personnel assigned to Customs facilities in Florida or along the United States-Mexico border shall not be reduced below the number of such personnel assigned to such facilities for fiscal year 1999, if the reduction or diversion of personnel from those facilities would be detrimental to the drug enforcement or investigative operations of the Customs Service, or to the ability of the Customs Service to process international passengers, vessels, or cargo:''.

COCHRAN AMENDMENT NO. 1217

Mr. DORGAN (for Mr. COCHRAN) proposed an amendment to the bill, S. 1282, supra; as follows:

At the appropriate place in the bill insert the following new section:

''Section 1122 of the National Defense Authorization Act for Fiscal Year 1994 is hereby repealed''.

CAMPBELL AMENDMENTS NOS. 1218–1219

Mr. CAMPBELL proposed two amendments to the bill, S. 1282, supra; as follows:

AMENDMENT NO. 1218

On page 62, line 8, after ''building operations'' insert ''*Provided*, That the amounts provided above under this heading for rental of space, building operations and in aggregate amount for the Federal Buildings Fund, are reduced accordingly''.

AMENDMENT NO. 1219

At the appropriate place, at the end of the General Services Administration, General Provisions insert the following new sections:

SEC. 411. Notwithstanding 31 U.S.C. 1346, funds made available for fiscal year 2000 by this or any other Act to any department or agency, which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP salaries and administrative costs.

SEC. 412. The Administrator of General Services may provide from governmentwide credit card rebates, up to $3,000,000 in support of the Joint Financial Management Improvement Program as approved by the Chief Financial Officers Council.

SCHUMER AMENDMENT NO. 1220

Mr. CAMPBELL (for Mr. SCHUMER) proposed an amendment to the bill, S. 1282, supra; as follows:

On page 98, insert between lines 4 and 5 the following:

SEC. 636. ITEMIZED INCOME TAX RECEIPT.

(a) IN GENERAL.—Not later than April 15, 2000, the Secretary of the Treasury shall establish an interactive program on an Internet website where any taxpayer may generate an itemized receipt showing a proportionate allocation (in money terms) of the taxpayer's total tax payments among the major expenditure categories.

(b) INFORMATION NECESSARY TO GENERATE RECEIPT.—For purposes of generating an itemized receipt under subsection (a), the interactive program—

(1) shall only require the input of the taxpayer's total tax payments, and

(2) shall not require any identifying information relating to the taxpayer.

(c) TOTAL TAX PAYMENTS.—For purposes of this section, total tax payments of an individual for any taxable year are—

(1) the tax imposed by subtitle A of the Internal Revenue Code of 1986 for such taxable year (as shown on his return), and

(2) the tax imposed by section 3101 of such Code on wages received during such taxable year.

(d) CONTENT OF TAX RECEIPT.—

(1) MAJOR EXPENDITURE CATEGORIES.—For purposes of subsection (a), the major expenditure categories are:

(A) National defense.

(B) International affairs.

(C) Medicaid.

(D) Medicare.

(E) Means-tested entitlements.

(F) Domestic discretionary.

(G) Social Security.

(H) Interest payments.

(I) All other.

(2) OTHER ITEMS ON RECEIPT.—

(A) IN GENERAL.—In addition, the tax receipt shall include selected examples of more specific expenditure items, including the items listed in subparagraph (B), either at the budget function, subfunction, or program, project, or activity levels, along with any other information deemed appropriate by the Secretary of the Treasury and the Director of the Office of Management and Budget to enhance taxpayer understanding of the Federal budget.

(B) LISTED ITEMS.—The expenditure items listed in this subparagraph are as follows:

(i) Public schools funding programs.

(ii) Student loans and college aid.

(iii) Low-income housing programs.

(iv) Food stamp and welfare programs.

(v) Law enforcement, including the Federal Bureau of Investigation, law enforcement grants to the States, and other Federal law enforcement personnel.

(vi) Infrastructure, including roads, bridges, and mass transit.

(vii) Farm subsidies.

(viii) Congressional Member and staff salaries.

(ix) Health research programs.

(x) Aid to the disabled.

(xi) Veterans health care and pension programs.

(xii) Space programs.

(xiii) Environmental cleanup programs.

(xiv) United States embassies.

(xv) Military salaries.

(xvi) Foreign aid.

(xvii) Contributions to the North Atlantic Treaty Organization.

(xviii) Amtrak.

(xix) United States Postal Service.

(e) COST.—No charge shall be imposed to cover any cost associated with the production or distribution of the tax receipt.

(f) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as may be necessary to carry out this section.

OPEN-MARKET REORGANIZATION FOR THE BETTERMENT OF INTERNATIONAL TELECOMMUNICATIONS ACT

BURNS AMENDMENT NO. 1221

Mr. BURNS proposed an amendment to the bill (S. 376) to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes; as follows:

Section 4 of S. 376 (as amended by the ''ORBIT'' substitute) is amended by striking proposed Section 603 of the Communications Satellite Act and inserting the following new section:

SEC. 603. RESTRICTIONS PENDING PRIVATIZATION.

(a) INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to carriers (other than the United States signatory) or end users in the United States until July 1, 2001 or until INTELSAT achieves a pro-competitive privatization pursuant to section 613(a) if privatization occurs earlier.

(b) Notwithstanding subsection (a), INTELSAT shall be prohibited from entering the United States market directly to provide any satellite communications services or space segment capacity to any foreign signatory, or affiliate thereof, and no carrier, other than the United States signatory, nor any end user, shall be permitted to invest directly in INTELSAT.

(c) Pending INTELSAT's privatization, the Commission shall ensure that the United States signatory is compensated by direct access users for the costs it incurs in fulfilling its obligations under this Act.

(d) The provisions of subsections (b) and (c) shall remain in effect only until INTELSAT achieves a pro-competitive privatization pursuant to section 613(a).''

On line 21, page 32, Section 612(b), insert ''subsection'' after the word ''under''.

On line 21, page 32, Section 612(b), replace ''consider'' with ''determine whether''.

On line 23, page 32, Section 612(b), insert ''exist'' after the word ''connections''.

On line 9, page 33, Section 612(b)(4), after ''ownership'', insert ''and whether the affiliate is independent of IGO signatories or former signatories who control telecommunications market access in their home territories.''

On line 19, page 35, section 613(c)(1), after ''taxation'', insert ''and does not unfairly benefit from ownership by former signatories who control telecommunications market access to their home territories.''

On line 13, page 37, Section 613(d), replace ''consider'' with ''determine''.

On line 14, page 37, Section 613(d), insert ''and Immarsat'' after ''Intelsat''.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

COVERDELL AND ASHCROFT AMENDMENT NO. 1222

Mr. COVERDELL (for himself and Mr. ASHCROFT) proposed an amendment to the bill (S. 1283) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2000, and for other purposes; as follows:

At the appropriate place, insert the following'

SEC. __. None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug, or for any payment to any individual or entity who carries out any such program.

DASCHLE AMENDMENT NO. 1223

Mr. DASCHLE proposed an amendment to the bill, S. 1283, supra; as follows:

On page 53, between lines 11 and 12, insert the following:

SEC. 1_____.—WIRELESS COMMUNICATIONS.—(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 7 days after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the National Park Service, shall—

(1) implement the notice of decision approved by the National Capital Regional Director, dated April 7, 1999, including the provisions of the notice of decision concerning the issuance of right-of-way permits at market rates; and

(2) expend such sums as are necessary to carry out paragraph (1).

(b) ANTENNA APPLICATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, a Federal agency that receives an application to locate a wireless communications antenna on Federal property in the District of Columbia or surrounding area over which the Federal agency exercises control shall take final action on the application, including action on the issuance of right-of-way permits at market rates.

(2) GUIDANCE.—In making a decision concerning wireless service in the District of Columbia or surrounding area, a Federal agency described in paragraph (1) may consider, but shall not be bound by, any decision or recommendation of—

(A) the National Capital Planning Commission; or

(B) any other area commission or authority.

DURBIN AMENDMENT NO. 1224

Mr. DURBIN proposed an amendment to the bill, S. 1283, surpa; as follows:

On page 5, strike beginning with line 17 through page 6, line 4.

On page 11, line 1, after the semicolon insert ''up to''.

On page 11, line 2, after ''resident'' insert ''college''.

CITY OF SISTERS, OREGON, SEWAGE TREATMENT FACILITY LEGISLATION

SMITH (AND WYDEN) AMENDMENT NO. 1225

Mr. GORTON (for Mr. SMITH of Oregon (for himself and Mr. WYDEN)) proposed an amendment to the bill (S. 416)

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; as follows:

On page 3, line 12, strike the quotation marks.

On page 3, line 14, strike ''the following''.

At the end, add the following:

''(e) AUTHORITY TO ACQUIRE LAND IN SUBSTITUTION.—Subject to the availability of appropriations, the Secretary shall acquire land within Oregon, and within or in the vicinity of the Deschutes National Forest, of an acreage equivalent to that of the land conveyed under subsection (a). Any lands acquired shall be added to and administered as part of the Deschutes National Forest.''.

MILITARY AND EXTRATERRITORIAL JURISDICTION ACT OF 1999

SESSIONS (AND OTHERS) AMENDMENT NO. 1226

Mr. GORTON (for Mr. SESSIONS (for himself, Mr. LEAHY, and Mr. DEWINE)) proposed an amendment to the bill (S. 768) to establish court-martial jurisdiction over civilian serving with the Armed Forces during contingency operations, and to establish Federal jurisdiction over crimes committed outside the United States by former members of the Armed Forces and civilians accompanying the Armed Forces outside the United States; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military and Extraterritorial Jurisdiction Act of 1999''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Civilian employees of the Department of Defense, and civilian employees of Department of Defense contractors, provide critical support to the Armed Forces of the United States that are deployed during a contingency operation.

(2) Misconduct by such persons undermines good order and discipline in the Armed Forces, and jeopardizes the mission of the contingency operation.

(3) Military commanders need the legal tools to address adequately misconduct by civilians serving with Armed Forces during a contingency operation.

(4) In its present state, military law does not permit military commanders to address adequately misconduct by civilians serving with Armed Forces, except in time of a congressionally declared war.

(5) To address this need, the Uniform Code of Military Justice should be amended to provide for court-martial jurisdiction over civilians serving with Armed Forces in places designated by the Secretary of Defense during a ''contingency operation'' expressly designated as such by the Secretary of Defense.

(6) This limited extension of court-martial jurisdiction over civilians is dictated by military necessity, is within the constitutional powers of Congress to make rules for the government of the Armed Forces, and, therefore, is consistent with the Constitution of the United States and United States public policy.

(7) Many thousand civilian employees of the Department of Defense, civilian employees of Department of Defense contractors, and civilian dependents accompany the Armed Forces to installations in foreign countries.

(8) Misconduct among such civilians has been a longstanding problem for military commanders and other United States officials in foreign countries, and threatens United States citizens, United States property, and United States relations with host countries.

(9) Federal criminal law does not apply to many offenses committed outside of the United States by such civilians and, because host countries often do not prosecute such offenses, serious crimes often go unpunished and,to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such civilians outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

(10) Federal law does not apply to many crimes committed outside the United States by members of the Armed Forces who separate from the Armed Forces before they can be identified, thus escaping court-martial jurisdiction and, to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such persons outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

SEC. 3. COURT-MARTIAL JURISDICTION.

(a) JURISDICTION DURING CONTINGENCY OPERATIONS.—Section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by inserting after paragraph (12) the following:

''(13) To the extent not covered by paragraphs (10) and (11), persons not members of the armed forces who, in support of a contingency operation described in section 101(a)(13)(B) of this title, are serving with and accompanying an armed force in a place or places outside the United States specified by the Secretary of Defense, as follows:

''(A) Employees of the Department of Defense.

''(B) Employees of any Department of Defense contractor who are so serving in connection with the performance of a Department of Defense contract.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to acts or omissions occurring on or after that date.

SEC. 4. FEDERAL JURISDICTION.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

''CHAPTER 212—CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.

''3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States.

''3262. Delivery to authorities of foreign countries.

''3263. Regulations.

''3264. Definitions.

''§ 3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while serving with, employed by, or accompanying the Armed Forces outside of the United States, engages in conduct that would constitute an offense punishable by imprisonment for more than 1 year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be guilty of a like offense and subject to a like punishment.

''(b) CONCURRENT JURISDICTION.—Nothing in this chapter may be construed to deprive a court-martial, military commission, provost court, or other military tribunal of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by a court-martial, military commission, provost court, or other military tribunal.

''(c) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced against a person under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General or the Deputy Attorney General (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest, in accordance with applicable international agreements, outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct that constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in relation to conduct referred to in such paragraph unless—

''(A) such person is delivered to authorities of a foreign country under section 3262; or

''(B) such person has had charges brought against him or her under chapter 47 of title 10 for such conduct.

''§ 3262. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3261(d) may deliver a person described in section 3261(a) to the appropriate authorities of a foreign country in which such person is alleged to have engaged in conduct described in section 3261(a) of this section if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense, in consultation with the Secretary of State, shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

''§ 3263. Regulations

''(a) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary

of State and the Attorney General, shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.

''(b) NOTICE TO THIRD PARTY NATIONALS.—

''(1) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary of State, shall issue regulations requiring that, to the maximum extent practicable, notice shall be provided to any person serving with, employed by, or accompanying the Armed Forces outside the United States who is not a national of the United States that such person is potentially subject to the criminal jurisdiction of the United States under this chapter.

''(2) FAILURE TO PROVIDE NOTICE.—The failure to provide notice as prescribed in the regulations issued under paragraph (1) shall not defeat the jurisdiction of a court of the United States or provide a defense in any judicial proceeding arising under this chapter.

''§ 3264. Definitions

''In this chapter—

''(1) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of—

''(i) a member of the Armed Forces;

''(ii) a civilian employee of a military department or of the Department of Defense; or

''(iii) a Department of Defense contractor or an employee of a Department of Defense contractor;

''(B) is residing with such member, civilian employee, contractor, or contractor employee outside the United States; and

''(C) is not a national of or ordinarily resident in the host nation;

''(2) the term 'Armed Forces' has the same meaning as in section 101(a)(4) of title 10; and

''(3) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is employed as a civilian employee of the Department of Defense, as a Department of Defense contractor, or as an employee of a Department of Defense contractor;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is not a national of or ordinarily resident in the host nation.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

''212. Criminal Offenses Committed Outside the United States ..... 3621''.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

DURBIN AMENDMENT NO. 1227

Mr. DURBIN proposed an amendment to the bill, S. 1283, supra; as follows:

At the appropriate place, insert the following:

SEC. ____ (a) FINDINGS.—The Senate finds the following:

(1) The District of Columbia has recently witnessed a spate of senseless killings of innocent citizens caught in the crossfire of shootings. A Justice Department crime victimization survey found that while the city saw a decline in the homicide rate between 1996 and 1997, the rate was the highest among a dozen cities and more than double the second highest city.

(2) The District of Columbia has not made adequate funding available to fight drug abuse in recent years, and the city has not deployed its resources as effectively as possible. In fiscal year 1998, $20,900,000 was spent on publicly funded drug treatment in the District compared to $29,000,000 in fiscal year 1993. The District's Addiction and Prevention and Recovery Agency currently has only 2,200 treatment slots, a 50 percent drop from 1994, with more than 1,100 people on waiting lists.

(3) The District of Columbia has seen a rash of inmate escapes from halfway houses. According to Department of Corrections records, between October 21, 1998 and January 19, 1999, 376 of the 1,125 inmates assigned to halfway houses walked away. Nearly 280 of the 376 escapees were awaiting trial including 2 charged with murder.

(4) The District of Columbia public schools system faces serious challenges in correcting chronic problems, particularly long-standing deficiencies in providing special education services to the 1 in 10 District students needing program benefits, including backlogged assessments, and repeated failure to meet a compliance agreement on special education reached with the Department of Education.

(5) Deficiencies in the delivery of basic public services from cleaning streets to waiting time at Department of Motor Vehicles to a rat population estimated earlier this year to exceed the human population have generated considerable public frustration.

(6) Last year, the District of Columbia forfeited millions of dollars in Federal grants after Federal auditors determined that several agencies exceeded grant restrictions and in other instances, failed to spend funds before the grants expired.

(7) Findings of a 1999 report by the Annie E. Casey Foundation that measured the well-being of children reflected that, with 1 exception, the District ranked worst in the United States in every category from infant mortality to the rate of teenage births to statistics chronicling child poverty.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in considering the District of Columbia's fiscal year 2001 budget, the Senate will take into consideration progress or lack of progress in addressing the following issues:

(1) Crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets.

(2) Access to drug abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs.

(3) Management of parolees and pretrial violent offenders, including the number of halfway house escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes.

(4) Education, including access to special education services and student achievement.

(5) Improvement in basic city services, including rat control and abatement.

(6) Application for and management of Federal grants.

(7) Indicators of child well-being.

HUTCHISON AMENDMENT NO. 1228

Mrs. HUTCHISON proposed an amendment to the bill, S. 1283, supra; as follows:

At the appropriate place, insert the following:

SEC. . The Mayor, prior to using Federal Medicaid payments to Disproportionate Share Hospitals to serve a small number of childless adults, should consider the recommendations of the Health Care Development Commission that has been appointed by the Council of the District of Columbia to review this program, and consult and report to Congress on the use of these funds.

EDWARDS AMENDMENT NO. 1229

Mrs. HUTCHISON (for Mr. EDWARDS) proposed an amendment to the bill, S. 1283, supra; as follows:

On page 13, line 17, insert the following: '': *Provided further*, That the District of Columbia Public Schools may spend $500,000 to engage in a Schools Without Violence program based on a model developed by the University of North Carolina, located in Greensboro, North Carolina''.

DORGAN AMENDMENTS NOS. 1230–1231

Mrs. HUTCHISON (for Mr. DORGAN) proposed two amendments to the bill, S. 1283, supra; as follows:

AMENDMENT NO. 1230

At the appropriate place, insert the following:

SEC. ____. GAO STUDY OF DISTRICT OF COLUMBIA CRIMINAL JUSTICE SYSTEM.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a study of the law enforcement, court, prison, probation, parole, and other components of the criminal justice system of the District of Columbia, in order to identify the components most in need of additional resources, including financial, personnel, and management resources; and

(2) submit to Congress a report on the results of the study under paragraph (1).

AMENDMENT NO. 1231

At the appropriate place, insert the following:

SEC. ____. TERMINATION OF PAROLE FOR ILLEGAL DRUG USE.

(a) ARREST FOR VIOLATION OF PAROLE.—Section 205 of title 24 of the District of Columbia Code is amended—

(1) in the first sentence, by striking ''If the'' and inserting the following:

''(a) If the''; and

(2) by adding at the end the following:

''(b) Notwithstanding subsection (a), with respect to a prisoner who is convicted of a crime of violence (as defined in §23–1331) and who is released on parole at any time during the term or terms of the prisoner's sentence for that offense, the Board of Parole shall issue a warrant for the retaking of the prisoner in accordance with this section, if the Board, or any member thereof, has reliable information (including positive drug test results) that the prisoner has illegally used a controlled substance (as defined in §33–501) at any time during the term or terms of the prisoner's sentence.''.

(b) HEARING AFTER ARREST; TERMINATION OF PAROLE.—Section 206 of title 24 of the District of Columbia Code is amended by adding at the end the following:

''(c) Notwithstanding any other provision of this section, with respect to a prisoner with respect to whom a warrant is issued

under section 205(b), if, after a hearing under this section, the Board of Parole determines that the prisoner has illegally used a controlled substance (as defined in §33–501) at any time during the term or terms of the prisoner's sentence, the Board shall terminate the parole of that prisoner.''.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a joint oversight hearing has been scheduled before the Committee on Energy and Natural Resources and the Committee on Indian Affairs.

The hearing will take place on Wednesday, July 14, beginning at 9:30 a.m. in Room SH–216 of the Hart Senate Office Building.

The purpose of this hearing is to receive testimony on the Report of the General Accounting Office (GAO) on the Interior Department's Planned Trust Fund Reform.

For further information, please contact the Committee on Indian Affairs at 202–224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Thursday, July 1, 1999, in open session, to receive testimony on military operations regarding Kosovo.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 1, 1999 at 10:30 a.m. to hold a hearing.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, July 1, 1999 at 9:30 a.m. to conduct a hearing on legislation to create an American Indian Education Foundation. The hearing will be held in room 485 of the Russell Senate Office Building

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

COMMITTEE ON THE JUDICIARY

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for an executive business meeting, during the session of the Senate on Thursday, July 1, 1999, at 10:00 a.m. in Senate Dirksen, Room 628.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 1, 1999 at 2:00 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs be authorized to meet during the session of the Senate on Thursday, July 1, 1999 at 2:00 p.m. to hold a hearing.

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

SUBCOMMITTEE ON EMPLOYMENT, SAFETY, AND TRAINING

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment, Safety, and Training be authorized to meet for a hearing on ''The Workforce Investment Act: Job Training'' during the session of the Senate on Thursday, July 1, 1999, at 9:30 a.m.

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

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 1, 1999, to conduct a hearing on ''The HUD Section 8 Opt-Outs Crisis.''

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING AND THE DISTRICT OF COLUMBIA

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Governmental Affairs Committee Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia be permitted to meet on Thursday, July 1, 1999 at 10:00 a.m. for a hearing on Egg Safety: Are There Cracks in the Federal Food Safety System?

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

ADDITIONAL STATEMENTS

DOMESTICALLY MANUFACTURED FIREARMS AND CONSUMER SAFETY

• Mr. LEVIN. Mr. President, in 1972, Congress established the Consumer Product Safety Commission (CPSC), an independent regulatory agency designed to ''protect the public from unreasonable risks of injuries and deaths associated with consumer products.'' Since 1972, CPSC has worked to accomplish that goal by developing uniform safety standards, obtaining the recall of dangerous products, and researching, informing and educating consumers about product related hazards. CPSC has jurisdiction over thousands categories of products, from furniture to sporting equipment, appliances, clothing and toys.

Although almost all categories of consumer products are reviewed for safety, there are millions of dangerous products in the United States that go untested. These products, which are among the leading cause of death in the United States, are exempted from oversight by the Consumer Product Safety Commission. They are not subject to any quality and safety standards, nor are their manufacturers required to provide warnings to consumers about their hazards. These products are firearms, and despite the fact that they kill some 35,000 people each year, they are exempt from oversight by the federal agency that provides Americans with lifesaving information.

The fact that guns are one of the only categories of products not subject to regulation is another example of a loophole in our federal firearms law. In the 1968 Gun Control Act, Congress set quality and safety standards for imported guns, yet failed to impose such criteria on domestically manufactured weapons. As a result, many of the guns manufactured today lack even the most basic kind of safety devices.

Gun manufacturers have the ability to include basic safety mechanisms in their firearms that would substantially reduce firearm related deaths. Yet most gun manufacturers have refused to implement even the most basic technology in their products. It would surprise most Americans to know that firearms manufactured in the United States are not required to pass a ''drop test,'' a series of tests and measurements to ensure that guns will not accidentally fire if dropped. Nor are they required to include simple features on firearms, such as load indicators which tell the user the gun is loaded. Many firearms also lack a magazine disconnect safety, a small safety improvement that costs approximately 50 cents, and could save the lives of hundreds of children who die from unintentional shootings. In addition, there are no requirements that firearms are manufactured with internal locking devices or combination locks. These are simple solutions for safety, but until guns are regulated as a consumer product, they are unlikely to be implemented by domestic manufacturers.

Manufacturers should also pursue technology to develop ''smart'' or ''personalized'' guns. Although there is no such working weapon that uses this technology now, there are plans by some manufacturers to explore the development of smart guns that recognize their owners through fingerprints, radio emissions or skin conductivity. The NRA and other gun manufacturers, such as Berretta U.S.A. Corp, are opposed to the development of smart gun technology, because they believe it would lead to mandatory safety standards. Yet, personalization concepts that allow only the authorized user access to his firearm, are sure to decrease the number of fatal unintentional injuries, homicides and suicides.

The Consumer Product Safety Commission is capable of monitoring firearms, just as they review baby cribs, hair dryers, basketballs, even toy guns, and the thousands of other products manufactured in the United States. But until Congress amends the Consumer Product Safety Act and revokes this special privilege given to firearms manufacturers, guns manufactured in the United States are unlikely to include even basic safety mechanisms.●

SUPPORTING S. 1010—THE MEDICAL INNOVATION TAX CREDIT

● Mr. ABRAHAM. Mr. President, today I would like to give my support to the Medical Innovation Tax Credit Act, sponsored by my good friend, Senator JEFFORDS.

Our medical schools and teaching hospitals are the backbone for innovation in American medicine. As sites for vital human clinical trials, these medical institutions provide a superior training ground for our nation's health care professionals, functioning as centers for the development of innovative medical technologies, treatments and medicines.

Yet, Mr. President, there has been an alarming decline in the utilization of these superior medical facilities for clinical trials. Due to changes within the health care marketplace, our medical facilities have come under increasing cost pressures, driving up the costs associated with conducting clinical trials at these facilities. Currently, it is more expensive for companies to perform clinical trials at teaching hospitals than at commercial research organizations.

Mr. President, the Medical Innovation Tax Credit Act is integral to the continued success of our nation's status as a world leader in the development of medical advances. This legislation would enhance the flow of private-sector funds into our non-profit medical institutions by providing incentives for companies to perform more clinical trials at these institutions. The 20 percent medical innovation tax credit would help level the current cost differential and the resulting influx of funds would ease some of the financial pressures our medical institutions are experiencing.

I urge all of my colleagues to send a strong message to our nation's medical institutions and health care professionals, that we will continue working to find ways to enhance and strengthen our valuable research program. To this end, it is essential that the Senate support the Medical Innovation Tax Credit Act.●

PIONEER MEMORIAL HOSPITAL

● Mr. JOHNSON. Mr. President, I rise today to express my warmest congratulations to Pioneer Memorial Hospital in Viborg, SD.

Pioneer Memorial Hospital is celebrating 40 years of dedicated service to the residents of Viborg and the surrounding area. It is an outstanding example of continued excellence in the delivery of health care services to rural South Dakota.

In an era when the high cost of medical care has driven a wedge between the patient and the provider, small, rural hospitals like Pioneer Memorial Hospital remind us of the true ethic of medical care; compassion, commitment and dedication to those in need. There is no reward great enough for the hard work and long hours that the staff at Pioneer Memorial Hospital have sacrificed on the behalf of others. They have brought into the world the newborn babies of friends and neighbors and cared for those who have lived long and noble lives. Perhaps most importantly, they should be recognized for the hand that they extended to those whom they did not know but reached out to in times of need.

Therefore, it is with great honor that I recognize Pioneer Memorial Hospital for its dedication to service and excellence in providing quality medical care to Viborg and the surrounding area. I applaud the efforts of every individual involved with the hospital throughout the years and offer my best wishes for another 40 years of service and excellence.●

TRIBUTE TO PHIL PETRIK

● Mr. BURNS. Mr. President, I rise today to bring recognition to a special Montanan, Phil Petrik. Phil is a commercial pilot in Sidney, Montana. One afternoon, Phil overheard another pilot talking to someone at the Williston, North Dakota airport on the radio. Apparently, the pilot was above the clouds and could not find a hole to make it through to land.

The pilot stated that he would fly on to the Watford City airport and see if he could land there. Later in the day, Petrik once again heard the pilot calling the Eilliston airport, requesting information about landing.

Unfortunately, the conditions had not changed. Phil then contacted the Williston airport to inquire if there was someone there who could guide the pilot down. He was informed that there was not. Phil got into his own plane and flew to approximately where the plane in distress should be and he finally found him. The other pilot told Phil he had about 30 minutes of fuel left. Phil had the FAA clear the airspace and they started down through the clouds. The two planes were in the clouds for about 90 seconds. Petrik guided the other plane to the airport and returned home.

Upon his arrival in Sidney, Phil found out that the pilot had actually only one minute and 20 seconds of fuel left when he made it to the ground. Phil has already been recognized by the Federal Aviation Association for his valiant act of selflessness. His peers in Montana have all told me that this is an example of the type of man Mr. Petrik is. It is a great honor for me to share this story of valor and compassion. One man willing to risk his life for another. Please join me in offering congratulations and thanks to Phil Petrik.●

THE NATIONWIDE COMPANIES

● Mr. CLELAND. Mr. President, I rise today to recognize an exceptional company based in Atlanta, Georgia. The Nationwide Companies proudly established its national headquarters in Atlanta just seven years ago, and through the progressive leadership of its founder and president, Bill Case, it has succeeded in the American marketplace.

As you well know, success earns recognition, and Money Maker's Monthly recently awarded this growing company the distinction of ''The Company of the Month'' in the United States. The front-page feature, appropriately titled, ''The Nationwide Miracle,'' describes the progress of Nationwide, and applauds Mr. Case for his leadership and integrity. Perhaps the most telling description of Nationwide as a uniquely American business is the conclusion in the feature that Bill Case and his company are ''revolutionizing the way the American public earns and saves money.''

The Money Maker's Monthly feature is a tribute to a man's vision and the ability to transfer dreams into reality. In order that others may celebrate this wonderful award and perhaps be inspired by its description of Mr. Case's realization of the ''American dream,'' Mr. President, I ask you to join me in saluting the many successes of Bill Case and the Nationwide Companies, and ask that the Money Maker's Monthly article be printed in the RECORD.

The article follows.

[From Money Maker's Monthly, Mar. 1999]

THE NATIONWIDE MIRACLE

Bill Case dreamed for many years of a business where people could enjoy financial freedom. He already knew that network marketing was the wave of the future, but concluded that the industry had complications that disillusioned many able and talented people. He wanted to find the simplest way that a home-based entrepreneur could earn impressively through network marketing without spending hard-earned money on things like inventory and also avoid obstacles like unproductive downlines. In other words, could you build a business where financial freedom was obtainable through good, honest work?

After carefully researching other network marketing companies and interviewing a cross-section of successful networking entrepreneurs throughout the country, Case found the answer. The result became The Nationwide Companies, his seven-year-old business that is viewed by many observers as a miracle in the network marketplace.

''Instead of selling marked-up merchandise, we sell a benefits package which gives the owner the right to purchase popular items like cars, boats, furniture and health insurance with the same group buying power and low prices enjoyed by Fortune 500 Companies.'' Case emphasizes that the Nationwide Benefits Package is ''a hot item because of value in savings.'' Case says his network marketing business, which is headquartered in Atlanta, is revolutionizing the way the American public earns and saves money. Skeptics are few and far between as Case and his company gladly showcase a growing number of success stories from California to Florida who are earning six-figure incomes. Nationwide networkers, called Independent Marketing Directors (IMDs), publicly and rather proudly state that they are enjoying genuine financial freedom as associates of Case's ''Team Nationwide.''

With evangelical drive, Case welcomes everyone to visit under the umbrella of The Nationwide Companies. ''We are truly one of a kind among network marketing companies,'' observes Case. ''We have a quality product that stands on its own in the marketplace because it allows purchasers to obtain items of genuine values.'' He emphasizes that the Nationwide Benefits Package can be purchased by anyone. It is a retail item in the truest sense of the word. The Benefits Package allows the owner, according to Case, to buy or lease cars, trucks, RVs, boats, along with furniture, eye care, health insurance, and even exotic vacations. ''Our Benefits Package saves consumers substantial amounts of good, hard dollars. The benefits are from recognizable Fortune 500 companies like ''the big three'' automakers, General Electric, United Parcel Service, Hertz and LensCrafters, just to name a few,'' says Case, adding that the Package is ''one of the best bargains in the country!''

WITHOUT BURDENS

Like other network marketing businesses, Nationwide operates through its IMDs from Hawaii to New York. From the company's Atlanta headquarters, Case's fast-growing enterprise provides marketing and sales information, computer support and state-of-the-art, easily accessible training for its IMDs. When asked what makes Nationwide different from other network marketers, Case, breaking into a wide grin, responds, ''Our IMDs don't have to buy or keep any inventory. There's no quota of any kind, no penalties, no competition and no levels of unpaid production.'' Case adds that Nationwide's system ''pays to infinity.'' ''You get paid what you are worth with Nationwide, and you only have to make two sales each year. We believe that our IMDs should earn good money without unnecessary difficulty,'' he says.

Case describes Nationwide's management as ''hands-on.'' ''We have a totally supportive attitude regarding our people. They expect value and great service, and that's what we deliver. It's critical that our IMDs are able to explain the Nationwide miracle and the wonderful savings and earnings opportunities which they can do if we give them the effective tools.'' Support from Case means closeness and intimacy. From company headquarters, every significant development regarding all aspects of Nationwide's operation are updated daily. The information is as available as a telephone call, fax machine or computer will permit. More importantly, Case still believes in the value of the human voice. ''Support training and customer service is at the top of the list. People want to hear answers from a warm human voice when they have a question. It's my job to see that they get this.''

THE NATIONWIDE TEAM

Case sees Nationwide's remarkable success much like an accomplished football coach who is closing in on his lifetime goal of winning the Superbowl. He built his winning team around Jack Hendryx, Nationwide's vice president. ''I recruited Jack because he is one of the country's networking geniuses,'' says Case. Hendryx personable, well dressed and self-confident, reflects Case's trust, ''I came on board because Nationwide eliminated all of the shenanigans that plague the direct marketing business. Hendryx says he and Case implemented a training program that helps the home-based entrepreneur succeed. ''This country needs an honest company where the chance to earn substantial money is real, and Nationwide is that company!''

Hendryx, with unconditional backing from Case, formulated a new millennium training program for IMDs which combines proven sales assistance with intensive and continuing marketing education. He supervises customized and very effective grass-roots seminars throughout the country and is an almost constant presence at regular regional meetings. Importantly, Hendryx has stayed abreast of 21st century training strategies, and the result is high morale and enthusiasm among the rank and file IMD's. ''We want our men and women to earn money now, not later. Our training program is designed to get them into substantial income production immediately.''

Interviews with a sampling of Nationwide's IMDs confirmed positive results from the training program. Many IMDs have worked for five or even more network marketing companies prior to Nationwide only to see them go out of business for myriad reasons, mostly bad ones. They blamed the failures on poor products and Neanderthal to non-existent training. ''Visit any of our workshops,'' says Hendryx, ''and you'll know that we are as different from the failed companies as day is from night. Nationwide works because it's designed and managed by people like Lynda Davis.'' Davis, according to Hendryx, is the National Sales Training Coordinator for Nationwide who has created the lion's share of the effective marketing tools used in the company's training program. ''Lynda is a crown jewel,'' says Hendryx. ''Her training expertise gives our IMDs the head start they need in earning good, solid money as quickly as possible.''

One of the key players on Nationwide's team is Dick Loehr, president of Loehr's Auto Consultants in Ft. Lauderdale, Fla. who operates the benefits company for Nationwide. Loehr, who once owned nine automobile franchises, ranging from Porsche to Chrysler, has vast experience in the national automobile marketplace. A protégé of Lee Iococca (Loehr was an advisor to Iococca at Chrysler and still wears the lapel pin award given for his service to Iococca and Chrysler), Loehr is a virtual encyclopedia of knowledge of the automobile industry, including the complicated areas of financing and leasing. Nationwide recently produced a video interview with Loehr, which is a reservoir of vital information that any consumer would need to know before buying or leasing an automobile.

Loehr's joining Nationwide meant coming out of retirement. ''When I heard about Nationwide, I did my own investigation and knew this company was a winner,'' says Loehr. With Loehr's auto industry skills, Nationwide continues to be able to make popular items like automobiles available to its associates through the same group buying power enjoyed by Fortune 500 companies. Also, Loehr's heralded experience in the car market is invaluable to Nationwide.''I understand pricing of automobiles and trucks, and financing and leasing is almost secondhand to me,'' says Loehr, who is not bragging, but stating fact.

One of the most recent benefits available to Nationwide associates is the availability of Program cars, which became possible through Loehr's esoteric knowledge of the automobile industry. Loehr says this makes the Benefits Package even more valuable. ''A Program car is a recent model, low mileage auto in top shape from a fleet program which we obtain for sale or lease. These are incredible bargains available to anyone owning the Nationwide Benefits Package.''

TRIBUTE FROM THE TRENCHES

Case describes his national network of IMD's as ''my field generals.'' ''I'm proud of the quality and high character of every one,'' he says. Robert and Donna Fason of Mount Vernon, Ark. are Nationwide's National Sales Directors who earned their lofty title through impressive success. ''Every day is a vacation to us,'' says Robert, adding, ''We are making more money than ever and our IMD's are truly excited about even greater earnings as we work together for financial freedom.''

Two key Team Nationwide Associates, says Case are Ruby and Ray Riedel of Yakima, Wash. Both are successful veteran network marketers who left one of the big names in the industry for Nationwide. Their story is a fascinating, personal endorsement of Case's network business dream. ''Unlike our previous company, we now have absolutely no inventory, monthly quotas or penalties,'' stated Ruby Riedel. ''How refreshing to be part of a genuine network company and to be free of all overhead, competition and no levels of unpaid production!'' In place of these obstacles, Ruby says that IMD's now have ''value with rewards.'' ''We and all others are paid what we're worth without limitations, under an amazing income system that pays to infinity.'' She hastens to add that Nationwide's regular trading program deserves accolades. ''The intensive and effective support given to every IMD by people like Jack Hendryx and Lynda Davis keeps all of us going upward with our earnings. This training may be the very best in the network marketing industry.''

NOTED AUTHOR LAUDS NATIONWIDE

Perhaps no higher praise for Nationwide has been given than the observation of internationally respected and widely read author Alfred Huang. A Maui, Hawaii resident and Nationwide IMD, Huang says he became an associate of Case's team not solely because of its proven earnings and savings, but particularly because the system ''helps people to live a better life.'' ''The true spirit and value of Nationwide is caring of people.'' Huang is a best-selling author whose next book, ''The Century of the Dragan—Creating Your Success and Prosperity In The Next Century,'' is due for publication later this year. He is convinced that network marketing will soon be the mainstream solution for financial wellness.

''Nationwide,'' Huang says, ''is the best network marketing [company] I have ever known.'' A native of China, who was imprisoned for 13 years after being wrongly convicted and sentenced as an American spy (his conviction was overturned), plans to write a book about Nationwide. ''I want to tell people how to change their attitude and build their self-confidence by sharing the beauty of Nationwide, its philosophy, its system, its opportunity and its loving and caring of people.''

INCOME TESTIMONIALS

Nationwide, according to Case, is a 100 percent debt-free company that parallels the American Dream of entrepreneurial success. ''Just look at Jack Hendryx,'' says Case. ''No man in America could, I believe, exceed his professional marketing ability and wonderful reputation for honesty.'' As a matter of fact, one of Hendryx's presentations, which he gives live in regional meetings, and is recorded on one of Nationwide's video programs, concludes with Hendryx's advice to everyone, ''The Benefits Package will sell itself. All you have to do is tell the truth, the whole truth, and nothing but the truth. The rest is easy.''

Case's expectations for 1999 and into the next millennium are high. ''We turned the corner sometime back and this year and the next will see us explode with new sales. My projection is to have tens of thousands more IMD's on board, spread evenly throughout the geographical areas of America with resulting growth in sales of the Benefits Package.'' Case revealed that new benefits are schedule to be added to the package soon, and as they are added, they will be placed retroactively into Benefits Packages already owned. ''Remember, we are family and we share,'' says Case, with his engaging smile and twinkling eyes.

Every great American business pioneer has said, in one way or another, that a company is measured by the accomplishments of its people. Perhaps no better measure of Nationwide's enviable position in America's network marketplace can be found than in the successes of its IMDs. Many companies, for whatever reason, are reluctant to disclose individuals with verifiable earnings, but not Nationwide. ''We want people who are looking for the best earnings opportunity in America today to contact our folks and ask them questions,'' Case says. ''They are going to hear revelations from our people whose lives have been transformed because of the Nationwide miracle. And, I might add, I am talking about genuinely impressive earnings.''

Joyce Ross, along with her husband Marvin, is a Nationwide Regional Director in Malden, Mo. She revealed an upward transformation in income during her first year with Nationwide. ''For 26 years, we owned a combination barber and beauty shop in a lovely small town, but worked ourselves nearly to death with an accumulation of bills and not enough money for the work we were doing. Then came Nationwide,'' says Joyce. ''It would have taken me ten years to earn as a hairdresser what I have earned with Nationwide in less than two years.''

Similarly, Don Garrison of Lampe, Mo. discloses that he earned over $300,000 in the first year. ''This is the only way I want to live and work, as a free American citizen!'' David Hervey mirrors Garrison's success by revealing that he, too, earned beyond $300,000 during the past year as an associate of Team Nationwide. Hervey, it should be added, is a Nationwide Regional Director in Jackson, Miss. Lamar Adams, a Regional Director in Madison, Miss., earned over $100,000, he says ''. . . in just my first six months as a Nationwide IMD!''

Jack Hendryx, speaking from Nationwide's Atlanta headquarters, confirms that there are ''large numbers of similar testimonials that we are delighted to share with anyone, anytime, who has a genuine interest in bettering their lives and the lives of their families.'' Hendryx has an abundance of examples. ''All of our Regional Directors have their own earnings success stories. Jack and Becky Hearrell, Fred and Betty Swindel, and Shelby Langston deserve special recognition, as does Bob and Judi Montgomery. The team is built upon Regional Directors' shoulders.

THE TEAM NATIONWIDE FAMILY

Case is inseparable from his wife, Carol. It is more than symbolic that he includes Carol in as many Nationwide activities as her time and schedule will permit. ''Carol was instrumental in providing me with some of the central ideas that made Nationwide possible,'' Case says. ''She, in an admirable way, has marketing and public relations talents that go well beyond what you might expect to find on Madison Avenue or even here on Peachtree Street in Atlanta. Plus, we believe in husbands and wives, along with their families, being the core of Team Nationwide.''

The IMD Honor Roll of Nationwide bears out Case's ''family'' vision. The Regional Directors are almost invariably in husband and wife pairs. IMD's everywhere, pictured on his large conference room walls, are there with their respective husbands and wives and occasionally, other family members. Dick Loehr and his wife, Mary Lou are mainstays in the Nationwide miracle; likewise, Jack and Heide Hendryx. ''What a wonderful country this will continue to be if we have more businesses like Nationwide,'' says Case, ''where the preservation and betterment of the family unit is not only encouraged, but made possible through the miracle of financial freedom!''

Nationwide's story is the embodiment of the American dream. Case believes that Nationwide is just beginning its revolution in the network marketplace. During 1999 and well beyond, he is committed to making Nationwide the national exemplar of true financial freedom. He and his key team players like Hendryx, Loehr and Davis are driven toward their goal of financial freedom for everyone who is willing to work for it. Every bit of evidence, out in the national field and within their own business data in Atlanta indicates that they must be taken seriously.

Nationwide is on solid ground in the precarious minefield we call the marketplace. Leadership, from Bill Case on down through the chain of command, is top-notch. The determination to grow and expand, based upon time-honored business methods, is evidenced dramatically by its affiliation with Superior Bank. The respected financial institution provides consumer loans and mortgages as one of Nationwide's benefits. Standing on its own, this banking relationship is a network industry original that merits applause.

Case lives his dream everyday, only now it's real for others as well. His IMDs are earning handsomely through the Nationwide miracle because Case has blended the magic business ingredients of planning, managing, and training with honesty and integrity, and combined it with a valuable, unprecedented Benefits Package.

Case and his team are telling America that a dream becomes a reality through hard work. The road to financial freedom took some effort to locate, but they found it and have it available today. It's a very rewarding journey.●

NOEL WIEN—ALASKA AVIATION PIONEER

● Mr. MURKOWSKI. Mr. President, on July 6, 1924, the first non-stop flight between Anchorage and Fairbanks, Alaska occurred. The flight was made in an old water-cooled Hissopowered Standard J–1 open-cock-pit biplane and was flown by Noel Wien and Bill Yunker.

The Wein name is synonymous with Alaska aviation. It is said that Noel Wien's flight between Anchorage and Fairbanks was the start of Wein Air Alaska. I will quote for the RECORD an account of the early days as told by Noel Wein.

The change has been great both in aviation and the city of Fairbanks since that memorable day, July 6, 1924, when, sitting behind an old water-cooled Hisso powered Standard J–1 open-cockpit biplane, Bill Yunker and I landed here after flying non-stop from Anchorage.

We had flown up at night, thus taking advantage of the smoother air. The smoke was very thick for the last 80 miles and kept us guessing all the time. It was even difficult to follow the railroad tracks from Nenana on in.

There was intrigue about the stillness of the air and the frontier atmosphere of Fairbanks, which made me like the north from that first day.

For two weeks we couldn't find our way cross-country due to the forest fire smoke, but when it cleared up we were busy. People her took to the air quickly. They were of the hardy type, willing to take a gamble. Ben Eielson had made a number of flights that spring, before I arrived. He had also started a company the year before, in the summer of 1923, and had brought in an old reliable OX–5 Curtis Jenny JN–4D open cockpit World War I training plane.

Due to the interest created by Eielson's earlier pioneering, we had little trouble getting flying business to the outlying mining camps. Livengood, located 60 miles northwest of here, was one of the best of the gold producing camps. The first season in 1924, we made 34 flights to Livengood, and in the summer of 1925, 43 flights.

All went smoothly until mid-summer of 1925. We had purchased a supposedly major overhauled plane from Lincoln, Nebraska, one of the Hisso Standard build-up headquarters. The engine worked fine on the flight over to Livengood, but on the return trip something happened. All of a sudden the water from the cooling system of the engine

gave us a shower bath. I knew that because of the loss of water the engine would get so hot it would stop running. We were about half-way back to Fairbanks, near Wickersham Dome. I spotted a shelf to one side of the dome which seemed like the only possible chance to get down without breaking up or going over on our back. We were cruising lower than the 2,500 foot shelf, so we had to use power to get up to it. The old engine was steaming plenty when we got to a landing approach. It turned out to be a fair landing place and we stayed right side up and landed without breaking anything. It turned out that the water pump had broken in flight, which in turn had thrown the water out.

The two passengers and myself walked in to Olnes, on the Chatanika River, over the tussuk covered trail. One passenger, an old Sourdough, had no trouble walking out. The other passenger, an insurance adjuster, had flown over on both business and pleasure. This passenger, I would say, was my first tourist, and possibly the first flying tourist passenger in Alaska. He had on oxford shoes and was about to give up before we arrived at the Chatanika River.

It is not my intent in these articles to be writing of my experiences, but instead to give some idea of the progress made in aviation and the change of times in the north.

Having had to discontinue flying in the fall of 1924 because of the open cockpit of the old Hisso Standard, a decision was made to try to get a cabin plane with an air cooled motor for use in wintertime. Because I was going ''outside'' for the winter to visit my folks in Minnesota, it worked out well for me to make a tour of the states to see what was being built. I found that about all that was being built was a very small number of open cockpit planes with old XO–5 and Hisso motors. One exception was the Huff Deland company which was building planes with an open front seat for two passengers and a pilot seat in the rear. This plane had an early model Wright air cooled engine of about 200 horsepower, but we had decided not to settle for anything but a cabin plane.

Both the Wright company and the Curtiss company did their best to locate the type of plane we wanted, but their efforts were unsuccessful. We finally had to settle on a Dutch built Fokker F–111 or F–3, a six-place monoplane which K.L.M. and early German airlines had already been using on some kind of schedule service in Europe. This plane had been built in 1921 and it was already the spring of 1925. There still were no cabin planes being built in the United States.

The Atlantic Aircraft Company, a dealer for Fokker, had three ships available. We bought one of them that had been used some, for $9,500. We shipped it all the way to Fairbanks via the Panama Canal. It had a German 6 cylinder engine of 235 horsepower. The cabin was very plush with curtains and all the trimmings. This ship proved conclusively that a cabin airplane was the type to use in Alaska even though we could not use it through the winter of 1925–26 because it had no brakes except for a tail skid which helped to stop it. It had a rather streamlined monoplane wing and took a minimum of 1,000 feet to stop after the three points were firmly on the ground. We had some close shaves on sand bars and fields 1,000 or under, during the summers of 1925–26. Our flying out of Fairbanks was the only cross-country flying in the Territory at that time. There was one other airline at Ketchikan where Roy Jones was doing some flying with an old two-place navy training flying boat. We were successful with the flying of the Fokker F–111 and made the first commercial flight to Nome, carrying 4 passengers and 500 pounds of baggage, a 1,200 pound load. We flew non-stop back here in 6 hours and 55 minutes. That's all for now. Noel.—Originally published in the ''Wien Alaska Arctic Liner'' August 1956.

On July 6, 1999, the 75th anniversary of the first non-stop flight, the sons of Noel Wien, Richard and Merrill, will pay homage to their late father's legacy. In commemoration, they will retrace the journey in a refurbished Boeing Stearman biplane, which was built in 1943. This type of plane was used to train pilots in World War II. They will leave from the Delaney Park Strip in Anchorage, which is now a public park, and land at Fairbanks International Airport. The original landing site in Fairbanks, Weeks Field, has since been developed and houses the Noel Wien Public Library.

After all his years of flying, Richard gained a whole new respect for his father's flying ability when he and his son, Michael, flew the refurbished biplane from Seattle. They made the trip in early May and encountered winter conditions during the flight. It did not take long to realize that they weren't within the confines of a closed, heated cabin.

Both Richard and Merrill continued in their father's footsteps. They are both commercially rated pilots with thousands of flying hours between them. They were both involved with Wien Air Alaska and then when the family sold it, the brothers opened up a helicopter business. Although Richard and Merrill are no longer involved in the commercial side of aviation, it's in the blood.

Organizing this event was a labor of love for Richard Wien. He also credits his major sponsor the Alaska Airmen's Association for helping to make it happen in addition to other individuals and organizations. He is embarking on this trip to honor his father and also the 75th anniversary of the first airmail run made by Ben Eielson.

My heartiest congratulations to Richard and Merrill Wien for organizing this wonderful tribute to their father and also for keeping the pioneering aviation spirit alive through this commemorative flight.●

HAPPY BIRTHDAY CAPTAIN CURTIS J. ZANE

● Mr. STEVENS. Mr. President, on the occasion of his 80th birthday this coming 4th of July, I would like to join my Alaskan colleague in the other body in extending warm birthday wishes to Captain Curtis J. Zane, United States Navy Retired. ''Casey'' Zane, as he is affectionately known, is one of that generation of American heroes who rose to defend our nation and our freedom during the darkest days of WWII. He saw action over a wide area of the South Pacific during 1942, 1943 and 1944 including service with the fabled ''Black Cat'' PBY squadron 101. To this day he remembers dear friends who died in that conflict. In mid 1944 through the war's end Casey instructed young pilots in B–24s at Hutchinson Kansas.

The balance of his 27 year career in Naval Aviation spanned the early years of the Cold War, the Cuban Missile Crisis, and the transition to the Nuclear Navy. During that time Casey Zane served in the Guam, Tinian and Saipan areas of the post war Pacific. Later he was aboard ships of the fleet including the carrier USS Leyte and then took Command of anti-submarine warfare squadron VP 18. He served at the Command Post CinCLantFleet and as Commanding Officer U.S. Naval Communications Stations, Londonderry Northern Ireland and Thurso Scotland. He did his last tour at the Pentagon in Navy's Bureau of Personnel and retired as a Captain in November 1968.

Among the several types of special schooling and training he received, Casey is a graduate of the Army's Command & General Staff College and the Naval War College. He holds the American Defense Service Medal; American Campaign Medal; Air Medal; Asiatic-Pacific Campaign Medal (3 Stars); World War II Victory Medal; National Defense Service Medal (1 Star).

After the Navy, Casey and his wife Dorothy started their second careers becoming successful real estate brokers and agents in the Northern Virginia area. Despite his tender age of 80, Casey continues to be an active and productive member of our society. He is a model for those who believe in being ''forever young,'' both in spirit and enthusiasm for living. I wish to extend a hearty ''many happy returns'' to a great American Veteran, Captain Curtis J. ''Casey'' Zane on his upcoming 80th birthday, July 4, 1999. Mr. President, as this Century closes it is indeed fitting that the advent of a National World War II Memorial is close at hand. As our numbers fade slowly and inexorably from our midst, perhaps the best birthday present we can give WWII Veterans like Casey Zane is the knowledge that our nation will never forget their sacrifice.●

THE MARRIAGE OF LISA MAXWELL AND GEORGE NEWALL

● Mr. MOYNIHAN. Mr. President, this Saturday, a most blessed event will occur on Shelter Island: the wedding of two of my constituents, Lisa Maxwell and George Newall. Martin Luther remarked, ''There is no more lovely, friendly and charming relationship, communion or company than a good marriage.'' I must say that I agree, having just celebrated my 45th wedding anniversary a few weeks ago. Marriage—as the Book of Common Prayer

tells us—is intended by God for ''mutual joy; for the help and comfort given one another in prosperity and adversity.'' A wonderful institution, to be treated reverently.

My hope for Lisa and George is that their love for each other—so obvious to anyone who knows them—is, and will always remain, a seal upon their hearts,

For stern as death is love,
relentless as the nether world is devotion;
its flames are a blazing fire.
Deep waters cannot quench love,
nor floods sweep it away.
Were one to offer all he owns to purchase love,
he would be roundly mocked.—Song of Solomon, 8:6–7

I wish them all the best as they begin their life together.●

IN RECOGNITION OF DR. EUGENE OLIVERI

● Mr. LEVIN. Mr. President, I rise today to recognize a physician from my home state of Michigan, Dr. Eugene Oliveri, who will be named the new President of the American Osteopathic Association (AOA) at the Association's annual meeting in July.

Dr. Oliveri practices at two outstanding medical facilities in Metropolitan Detroit. He is a senior member of the Department of Internal Medicine at Botsford Hospital in Farmington Hills, Michigan, where he also serves as Chairman of the Department of Gastroenterology and as Director of the Gastroenterology Fellowship Program. Dr. Oliveri is also affiliated with Huron Valley Hospital in Milford, Michigan.

Dr. Oliveri has established himself as a national leader in the osteopathic profession. He serves on a number of professional boards, is sought after as a visiting lecturer, and is committed to training and inspiring the next generation of osteopathic physicians. In fact, there are two osteopaths in the Oliveri family, and I know it is a point of pride for Dr. Eugene Oliveri that his daughter, Lisa, chose to pursue the profession to which he has dedicated so much of his life.

The state of Michigan is a leader in the practice of osteopathy. One hundred and two years ago, Michigan was the fourth state in the nation to legalize the practice of osteopathy. Today's osteopathic physicians and surgeons integrate standard medical practices with the body's natural systems for regulating and healing itself, especially with the largest of these systems, the musculoskeletal system. Dr. Oliveri follows in the tradition of the thousands of skilled and dedicated osteopathic doctors who have practiced medicine in Michigan for more than a century.

Mr. President, Dr. Eugene Oliveri has distinguished himself as a physician, as a teacher and as a leader of his profession. It is fitting that Dr. Oliveri, who practices medicine in a state which has such a longstanding commitment to osteopathic medicine, will be elected President of the American Osteopathic Association. I know my colleagues join me in congratulating Dr. Oliveri on his achievements and in wishing him well during his tenure as President of the AOA.●

TRIBUTE TO HIS HOLINESS KAREKIN I, CATHOLICOS OF ALL ARMENIANS

● Mr. KENNEDY. Mr. President, I would like to pay tribute to an extraordinary man and religious leader, His Holiness Karekin I, Catholicos of All Armenians, who passed away on June 29.

I was proud to call His Holiness my friend. He was an inspiration to all who knew him. He was loved and respected by the Armenian people the world over, and his courage, intelligence, wisdom, and compassion were renowned in international religious circles.

His Holiness dedicated his life to the Armenian people. He worked skillfully for Armenia's freedom, and had the noble distinction of being the first Catholicos of the Armenian people elected in the newly independent Republic of Armenia. In this era, he has worked tirelessly and effectively for the spiritual revival of the Armenian Apostolic Church in Armenia.

He was also a warm and humble man, gifted with wit and humor, who related easily with people from all backgrounds and from all walks of life.

His extraordinary life began in the village of Kessab in Syria in 1932. He studied at a seminary in Lebanon in the late 1940s, and entered the celibate order of the Church in 1952. A gifted student, he went on to study theology at Oxford University. Recognized for his leadership qualities, he quickly rose through the clerical ranks, leading church dioceses in Iran and the United States. In 1977 he was elected Catholicos of the Catholicosate of Cilicia, based in Antelias, Lebanon. In 1995, he was elected Supreme Catholicos of the Armenian people, based in Holy Etchmiadzin, Armenia.

From July 6 to July 8, Armenia will be holding a period of national mourning in honor of this great man of faith. The Armenian people throughout the world are mourning his death and paying tribute to his extraordinary life. His remarkable legacy will endure for generations to come.●

S. 1234, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

The text of S. 1234, passed by the Senate on June 30, 1999, follows:

S. 1234

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 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, $785,000,000 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 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.

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 $31,500,000: *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.

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, $43,000,000, 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, 1999, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106, section 301, 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, $1,928,500,000, to remain available until September 30, 2001: *Provided*, That of the amount appropriated under this heading, funds may be made available for the Inter-American Foundation (IAF): *Provided further*, That funds made available for the IAF shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the amount appropriated under this heading, up to $12,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further*, That funds made available to grantees may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided further*, 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 before each time such waiver authority is exercised: *Provided further*, That of the funds appropriated under this heading, not less than $225,000,000 shall be made available for programs for the prevention, treatment, and control of, and research on, infectious diseases in developing countries, of which amount not less than $150,000,000 shall be made available for such programs for HIV/AIDS including not less than $5,000,000 which shall be made available to support a United States Government strategy to develop microbicides as a means for combating HIV/AIDS and including up to $5,500,000 which may be made available to establish an International Health Center at Morehouse School of Medicine: *Provided further*, That of the funds made available under this heading, not less than $50,000,000 should be made available for activities addressing the health and nutrition needs of pregnant women and mothers: *Provided further*, That of the funds appropriated under this heading, not less than $105,000,000 shall be made available for the United Nations Children's Fund: *Provided further*, That not less than $425,000,000 of the funds appropriated under this heading shall be made available to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961: *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: *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 shall be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development (IFAD): *Provided further*, That of the aggregate amount of the funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961 and the Support for Eastern European Democracy Act of 1989, $305,000,000 should be made available for agriculture and rural development programs including international agriculture research programs: *Provided further*, That the proportion of funds appropriated under this heading that are made available for biodiversity activities should be at least the same as the proportion of funds that were made available for such activities from funds appropriated by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995 (P.L. 103–306) to carry out sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961: *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 $250,000 shall be available for the International Law Institute: *Provided further*, That of the funds appropriated under this heading, not less than $15,000,000 shall be made available for the American Schools and Hospitals Abroad Program: *Provided further*, That of the funds appropriated under this heading not less than $500,000 shall be made available for support of the United States Telecommunications Training Institute: *Provided further*, That, of the funds appropriated under this heading and ''New Independent States of the former Soviet Union'', not less than $7,000,000 shall be made available for Carelift International to collect and provide medical supplies, equipment and training:

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 shall 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, bicommunal 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 shall 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 heading ''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 of the funds made available under this heading, not less than $800,000 shall be made available for newspapers, media, publications and related training to promote democracy in and related to Burma: *Provided further,* That the funds made available under this heading shall be provided subject to consultation and guidelines provided by the leadership of the Burmese government elected in 1990: *Provided further,* 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 notification procedures of the Committees on Appropriations.

CAMBODIA

None of the funds appropriated by this Act may be made available for activities or programs for the Central Government of Cambodia until the Secretary of State determines and reports to the Committee on Appropriations and the Committee on Foreign Relations that the Government of Cambodia has established a tribunal consistent with the requirements of international law and justice and including the participation of international jurists and prosecutors for the trial of those who committed genocide or crimes against humanity and that the Government of Cambodia is making significant progress in establishing an independent and accountable judicial system, a professional military subordinate to civilian control, and a neutral and accountable police force: *Provided,* That the restriction on funds made available under this paragraph shall not apply to demining or other humanitarian programs.

INDONESIA

Of the funds appropriated under the headings ''Economic Support Fund'' and ''Development Assistance'', not less than $70,000,000 shall be made available for assistance for Indonesia.

CONSERVATION FUND

Of the funds made available under the headings ''Economic Support Fund'' and ''Development Assistance'', not less than $500,000 shall be made available for the Charles Darwin Research Station and the Charles Darwin Foundation to support research, conservation, training and other activities necessary to protect the Province of the Galapagos Islands, Ecuador.

CONFLICT RESOLUTION

Of the funds appropriated under the headings ''Development Assistance'', ''Economic Support Fund'' and ''Assistance for Eastern Europe and the Baltic States'', $1,000,000 shall be made available to support conflict resolution programs involving teenagers of different ethnic, religious, and political backgrounds from the Middle East and other regions of conflict.

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, $175,000,000, to remain available until expended.

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 section 108(i)(2)(C) of the Foreign Assistance Act of 1961 is amended to read as follows: ''(C) No guarantee of any loan may guarantee more than 50 percent of the principal amount of any such loan, except guarantees of loans in support of microenterprise activites may guarantee up to 70 percent of the principal amount of any such loan.''. 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 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, $1,500,000, to remain available until expended: *Provided,* That these funds are available to subsidize loan principal, 100 per centum of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $4,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development.

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 per centum 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. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

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, to remain available until September 30, 2001: *Provided,* That of the amounts appropriated under this heading, $1,500,000 shall be made available to Habitat for Humanity International for the purchase of 14 acres of land on behalf of Tibetan refugees living in northern India, and the construction of a multi-unit development.

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, $2,195,000,000, 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 thirty days of 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 shall 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, $10,000,000 shall be made available for political, economic, humanitarian, and associated support activities for Iraqi opposition groups designated under the Iraqi Liberation Act (Public Law 105–338): *Provided further*, That not less than 15 days prior to the obligation of these funds, the Secretary shall inform the Committees on Appropriations of the purpose and amount of the proposed obligation of funds under this provision: *Provided further*, That none of the funds made available under this heading may be made available to the Korean Peninsula Energy Development Organization.

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 shall be made available for assistance for Kosova of which $20,000,000 shall be available for training and equipping a Kosova security force; not less than $85,000,000 shall be made available for assistance for Albania; not less than $60,000,000 shall be made available for assistance for Romania; not less than $55,000,000 shall be made available for assistance for Macedonia; not less than $45,000,000 shall be made available for assistance for Bulgaria; not less than $35,000,000 shall be available for assistance for Montenegro: *Provided further*, That of the funds made available under this heading and the headings ''International Narcotics and Law Enforcement'' and ''Economic Support Fund'', not to exceed $130,000,000 shall be made available for Bosnia and Herzegovina.

(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) With regard to funds appropriated or otherwise made available 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)—

(1) 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; and

(2) the provisions of section 533 of this Act shall apply.

ASSISTANCE FOR THE NEW 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 New Independent States of the former Soviet Union and for related programs, $780,000,000, 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 New Independent States: *Provided further*, That of the amount appropriated under this heading, not to exceed $200,000 shall be available only for the REAP International School Linkage Program: *Provided further*, That of the amount appropriated under this heading, not to exceed $2,000,000 shall be available for grants to nongovernmental organizations that work with orphans who are transitioning out of institutions to teach life skills and job skills: *Provided further*, That of the amount available under the heading ''Assistance for Eastern Europe and the Baltic States'' for Romania, $4,400,000 shall be provided solely to the Romanian Department of Child Protection for activities of such Department to provide emergency aid for the child victims of the present economic crisis in Romania, including activities relating to supplemental food support and maintenance, support for in-home foster care, and supplemental support for special needs residential care.

(b) Of the funds appropriated under this heading, not less than $210,000,000 shall be made available for assistance for Ukraine: *Provided*, That 50 percent of the amount made available in this subsection, exclusive of funds made available for nuclear safety, law enforcement reforms or the business incubator program, shall be withheld from obligation and expenditure until the Secretary of State reports to the Committees on Appropriations that the Government of Ukraine has undertaken significant economic reforms additional to those achieved in fiscal year 1999, including taking effective measures to end corruption by government officials: *Provided further*, That the report in the previous proviso shall be provided 120 days after the date of enactment of this Act: *Provided further*, That of the funds made available for Ukraine, not less than $25,000,000 shall be made available for nuclear reactor safety programs: *Provided further*, That of the funds made available for Ukraine, not less than $5,000,000 shall be made available to support the expansion of the technology business incubator program to include new cities: *Provided further*, That of the funds made available for Ukraine, $3,500,000 shall be made available for the destruction of stockpiles of anti-personnel landmines in Ukraine.

(c) Of the funds appropriated under this heading, not less than $95,000,000 shall be made available for assistance for Georgia: *Provided*, That of the funds made available under this subsection, not less than $8,000,000 shall be made available for judicial reform and law enforcement training.

(d) Of the funds appropriated under this heading, not less than $90,000,000 shall be made available for assistance for Armenia: *Provided*, That of the funds made available for Armenia, $15,000,000 shall be available for earthquake rehabilitation and reconstruction.

(e) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided*, That the restriction of this subsection and 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 the ''National Defense Authorization Act for Fiscal Year 1997'';

(2) 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.);

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

(4) any financing provided under the Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.);

(5) any activity carried out by a member of the Foreign Commercial Service while acting within his or her official capacity; 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) Of the funds appropriated under title II of this Act, including funds appropriated under this heading, not less than $12,000,000 shall be made available for assistance for Mongolia: *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.

(h) Of the funds appropriated under this heading that are allocated for assistance for the Central Government of Russia, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia 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.

(i) None of the funds appropriated under this heading may be made available for the Government of Russia, 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 zone of operational control; and (2) any Russian armed and peacekeeping forces deployed in Kosova are fully integrated under NATO unified command and control arrangements.

INDEPENDENT AGENCY

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat.

612), $220,000,000, 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, $215,000,000: *Provided*, That of this amount not less than $10,000,000 shall be made available for Law Enforcement Training and Demand Reduction: *Provided further*, That of the funds made available under this heading, in addition to any funds previously appropriated for 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: *Provided further*, That of the funds made available under this heading, not less than $10,000,000 shall be made available to continue mycoherbicide counter drug research and development.

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, $610,000,000: *Provided*, That not more than $13,500,000 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)), $20,000,000, 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, $175,000,000, 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, 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): *Provided*, 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 countries other than the New 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 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: *Provided further*, That of the funds appropriated under this heading up to $40,000,000 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 notwithstanding any other provision of law, not to exceed $40,000,000 may be made available to the Korean Peninsula Energy Development Organization only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further*, That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with all provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors; (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended; (4) North Korea is not actively pursuing the acquisition or development of a nuclear capability (other than the light-water reactors provided for by the 1994 Agreed Framework Between the United States and North Korea); and (5) North Korea is not providing ballistic missiles or ballistic missile technology to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of section 40(d) of the Arms Export Control Act or any other comparable provision of law: *Provided further*, That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further*, That no funds may be obligated for KEDO until 30 days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further*, That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, 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: *Provided further*, That the Director of Central Intelligence will provide for review and consideration by the House Permanent Select Committee on Intelligence, House International Relations Committee, House National Security Committee, Senate Appropriations Committee, Senate Select Committee on Intelligence, Senate Foreign Relations Committee and Senate Armed Services Committee all relevant intelligence bearing on North Korea's compliance with the provisions of this proviso: *Provided further*, That such provision shall occur not less than 45 days prior to the President's certification as provided for under this heading: *Provided further*, That for the purposes of this heading, the term intelligence includes National Intelligence Estimates, Intelligence Memoranda, Findings and other intelligence reports based on multiple sources or including the assessment of more than one member of the Intelligence Community.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out section 129 of the Foreign Assistance Act of 1961, relating to the Department of the Treasury technical assistance program, $1,500,000, to remain available until expended, which shall be available notwithstanding any other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct or indirect 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 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 Act, 1989 (Public Law 100–461); $43,000,000, to remain available until expended: *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.

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 no less than $1,000,000 shall be available for the Defense Institute of International Studies to enhance its mission, functioning and performance by providing for its fixed costs of operation: *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 Guatemala may only be available for expanded international military education and training.

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, $3,410,000,000: *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 thirty days of 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 26.5 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 shall be available for assistance for Jordan: *Provided further,* That of the funds appropriated by this paragraph, not less than $10,000,000 shall be made available for assistance for Tunisia: *Provided further,* That during fiscal year 2000, the President is authorized to, and shall, direct the drawdowns 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 $6,000,000 under the authority of this proviso for Tunisia for the purposes of part II of the Foreign Assistance Act of 1961: *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 nongovernmental and international organizations: *Provided further,* That none of the funds 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, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *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 $30,000,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase 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 of the amount appropriated under this heading, $5,000,000 shall be available only for the Philippines.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $80,000,000: *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

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $776,600,000, to remain available until expended.

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility, $25,000,000 to remain available until expended, for contributions previously due.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, $10,000,000 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 $50,000,000.

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, $50,000,000, to remain available until expended, for contributions previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $5,100,000 for the United States paid in share of the increase in capital stock, 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 of the funds appropriated under this heading, not less than $25,000,000 shall be made available for the United Nations Fund for Population Activities (UNFPA): *Provided further,* That none of the funds appropriated under this heading that are made available to UNFPA shall be made available for activities in the People's Republic of China: *Provided further,* That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: *Provided further,* That not less than $5,000,000 shall 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 OF FUNDS

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.

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 Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation 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 ''Nonproliferation, Antiterrorism, 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: *Provided,* That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

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 fifteen 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 assistance 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. For the purpose of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Development Assistance'', ''Debt restructuring'', ''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 New 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'', the Inter-American Foundation, the African Development Foundation, ''Peace Corps'', ''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 fifteen 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 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen 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 per centum 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 three 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.

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.

STINGERS IN THE PERSIAN GULF REGION

SEC. 517. 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.

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.

FUNDING FOR FAMILY PLANNING

SEC. 519. In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, non-governmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

EL SALVADOR REPORT

SEC. 520. Not later than 45 days after the date of 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 December 2, 1980 murders or cover-up of the murders of four American churchwomen in El Salvador obtained residence in the United States.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, India, Haiti, Liberia, Pakistan, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committee on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. 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 thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 523. Up to $10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, environment, basic education and AIDS, 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 family planning activities, child survival, environment, and basic education and health activities, including activities relating to research on, and the prevention, treatment and control of acquired immune deficiency syndrome or other diseases in developing countries: *Provided,* 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 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 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. 524. 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.

DESIGNATION OF SERBIA AS A TERRORIST STATE

SEC. 525. (a) HUMAN RIGHTS VIOLATIONS.—

(1) CONGRESSIONAL DETERMINATION.—Congress determines that the Government of the Federal Republic of Yugoslavia is engaged in a consistent pattern of gross violations of internationally recognized human rights.

(2) FULL ENFORCEMENT OF SANCTIONS.—All provisions of law that impose sanctions against a country whose government is engaged in a consistent pattern of gross violations of internationally recognized human rights shall be fully enforced against the Federal Republic of Yugoslavia (other than Montenegro and Kosova).

(b) SUPPORT FOR TERRORISM.—

(1) IN GENERAL.—

(A) CONGRESSIONAL DETERMINATION.—Congress determines that the Federal Republic of Yugoslavia (other than Montenegro and Kosova) is a country which has repeatedly engaged in acts of terrorism, a country which grants sanctuary from prosecution to individuals or groups which have committed an act of terrorism, and a country which otherwise supports terrorism.

(B) FULL ENFORCEMENT OF SANCTIONS.—The provisions of law specified in paragraph (2) and all other provisions of law that impose sanctions against a country which has repeatedly provided support for acts of terrorists, which grants sanctuary from prosecution to an individual or group which grants sanctuary from prosecution to an individual or group which has committed an act of terrorism, or which otherwise supports terrorism shall be fully enforced against the Federal Republic of Yugoslavia (other than Montenegro and Kosova).

(2) SANCTION LAWS SPECIFIED.—The provisions of law referred to in paragraph (1) are—

(A) section 40 of the Arms Export Control Act (22 U.S.C. 2780);

(B) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

(C) section 528 of this Act (and the corresponding sections of predecessor foreign operations appropriations Acts);

(D) section 555 of the International Security and Development Cooperation Act of 1985; and

(E) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. app. 2405(j)).

(c) MULTILATERAL COOPERATION.—Congress calls on the President to seek multilateral cooperation—

(1) to deny dangerous technologies to the Federal Republic of Yugoslavia (other than Montenegro and Kosova);

(2) to induce the Government of the Federal Republic of Yugoslavia to respect internationally recognized human rights (other than Montenegro and Kosova); and

(3) to induce the Government of the Federal Republic of Yugoslavia to allow appropriate international humanitarian and human rights organizations to have access to the Federal Republic of Yugoslavia (other than Montenegro and Kosova).

(d) FEDERAL REPUBLIC OF YUGOSLAVIA DEFINED.—The term ''Federal Republic of Yugoslavia'' does not include Montenegro and Kosova.

(e) This section would become null and void should the Federal Republic of Yugoslavia (other than Montenegro and Kosova) complete a democratic reform process that brings about 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.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. 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 (c) 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. 527. 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.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (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 fifteen 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. 529. 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. 530. 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.

DISTINGUISHED DEVELOPMENT SERVICE AWARD

SEC. 531. (a) AUTHORITY TO AWARD.—The Chairman of the Senate Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs, in consultation with the Ranking Minority Member of the Subcommittee and the Administrator of the United States Agency for International Development, may authorize the payment of a cash award to, and incur necessary expense for the honorary recognition of, a career or non-career employee of the Agency who through extraordinary efforts makes a significant contribution to assisting developing countries to meet the basic needs of their people.

(b) SELECTION CRITERIA.—The Chairman of the Senate Appropriations Subcommittee on Foreign Operations, Export Financing, and Related Programs, in consultation with the Ranking Minority Member of the Subcommittee and the Administrator, shall prescribe the procedures for identifying and considering persons eligible for the Distinguished Development Service Award, and for selecting the recipient of the award, consistent with the provisions of this section. Individuals who are non-career members of the Senior Executive Service or the Senior Foreign Service, or who are appointed under the authority of section 624 of this Act, are not eligible for the award authorized by this section.

(c) NATURE OF CASH AWARD.—A cash award under this section—

(1) shall be in the amount of $10,000, and

(2) shall be in addition to the pay and allowances of the recipient.

(d) AWARD IN THE EVENT OF DEATH.—If a person selected for an award under this section dies before being presented the award, the award may be made to the person's family or to the person's representative, as designated by the Administrator.

(e) FUNDING.—Awards to, and expenses for the honorary recognition of, employees of the Agency under this section may be paid from funds administered by the Agency that are made available to carry out the provisions of this Act.

DEBT-FOR-DEVELOPMENT

SEC. 532. 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. 533. (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 fifteen 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. 534. (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. 535. 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.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 536. 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.

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

SEC. 537. (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. 538. 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.

OPIC MARITIME FUND

SEC. 539. (a) Section 6001 of Public Law 106–31 is repealed.

(b) The Overseas Private Investment Corporation shall establish a $200,000,000 Maritime Fund within six months from the date of enactment of this Act: *Provided*, That the Maritime Fund shall leverage United States commercial maritime expertise to support international maritime projects.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, 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.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. 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; and

(2) 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 county;

(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

(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. 542. 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. 543. (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 the government of a country that violate internationally recognized human rights.

EARMARKS

SEC. 544. (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. 545. 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. 546. 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 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. 547. (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. 548. None of the funds appropriated or made available pursuant to this Act for carrying 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.

CONSULTING SERVICES

SEC. 549. 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. 550. 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. 551. (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. 552. (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 per centum of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of 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. 553. 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. 554. 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 sixty days after the date of enactment of this Act, and every one hundred eighty 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. 555. DEMINING EQUIPMENT.—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.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 556. 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. 557. None of the funds appropriated or otherwise made available by this Act under the heading ''International Military Education and Training'' or ''Foreign Military Financing Program'' for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 558. (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. 559. (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 per centum 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. 560. (a) SENSE OF CONGRESS.—It is the sense of Congress that, in providing assistance to Haiti, the President should place a priority on the following areas:

(1) aggressive action to support the institution of the Haitian National Police, including support for efforts by the leadership and 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) a program designed to develop the indigenous human rights monitoring capacity;

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

(5) a sustained agricultural development program.

(b) REPORT.—Beginning six months after the date of enactment of this Act, and six months thereafter, 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 whether or not these institutions and officials hold 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 whether or not the Government of Haiti has completed all required incorporating documents, the transfer of assets, and the eviction of unauthorized occupants of the land or facility;

(3) the status of efforts to re-sign and implement the lapsed bilateral Repatriation Agreement and an assessment of whether or not 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 whether or not substantial progress has been made in bringing to justice the persons responsible for these extrajudicial or political killings in Haiti, and

(B) an assessment of whether or not 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 whether or not the Government of Haiti has taken action 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 in October 1997;

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

(8) an assessment of whether or not 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.

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

SEC. 561. (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 1998.

(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)).

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 SECURITY FORCES

SEC. 563. 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 to believe 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.

CAMBODIA

SEC. 564. 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 Government of Cambodia, except loans to support basic human needs, unless the Secretary of State has determined and reported to the Committees on Appropriations, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House, that Cambodia has held free and fair elections in which all political candidates were permitted freedom of speech, assembly and equal access to the media and the Central Election Commission was comprised of representatives from all parties; and the Government has established a panel and begun the prosecution of Khmer Rouge leaders including Ta Mok, Khieu Sampan, Nuon Chea, Ieng Sary, Ke Pauk, and Duch.

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 VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 566. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated or otherwise made available 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 appropriated or otherwise made available under 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.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES, ENTITIES, AND COMMUNITIES IN THE FORMER YUGOSLAVIA PROVIDING SANCTUARY TO PUBLICLY INDICTED WAR CRIMINALS

SEC. 567. (a) POLICY.—It shall be the policy of the United States to use bilateral and multilateral assistance to promote peace and respect for internationally recognized human rights by encouraging countries, entities, and communities in the territory of the former Yugoslavia to cooperate fully with the International Criminal Tribunal for the Former Yugoslavia—

(1) by apprehending publicly indicted war criminals and transferring custody of those individuals to the Tribunal to stand trial; and

(2) by assisting the Tribunal in the investigation and prosecution of crimes subject to its jurisdiction.

(b) SANCTIONED COUNTRY, ENTITY, OR COMMUNITY.—

(1) IN GENERAL.—A sanctioned country, entity, or community described in this section is one in which there is present a publicly indicted war criminal or in which the Tribunal has been hindered in efforts to investigate crimes subject to its jurisdiction.

(2) SPECIAL RULE.—Subject to subsection (f), subsections (c) and (d) shall not apply to the provision of assistance to an entity that is not a sanctioned entity within a sanctioned country, or to a community that is not a sanctioned community within a sanctioned country or sanctioned entity, if the Secretary of State determines and so reports to the appropriate congressional committees that providing such assistance would further the policy of subsection (a).

(c) BILATERAL ASSISTANCE.—

(1) PROHIBITION.—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 community described in subsection (b).

(2) NOTIFICATION.—Not less than 15 days before any assistance described in this subsection is disbursed to any country, entity, or community described in subsection (b), the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register a written justification for the proposed assistance, including a description of the location of the proposed assistance program or project by municipality, its purpose, and the intended recipient of the assistance, including the names of individuals, companies and their boards of directors, and shareholders with controlling or substantial financial interest in the program or project.

(d) 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 (b).

(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 community described in subsection (b), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the appropriate Congressional committees 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, including the names of individuals with a controlling or substantial financial interest in the project.

(e) EXCEPTIONS.—Subject to subsection (f), subsections (c) and (d) shall not apply to the provision of—

(1) humanitarian assistance;

(2) assistance to nongovernmental organizations that promote democracy and respect for human rights; and

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

(f) FURTHER LIMITATIONS.—

(1) PROHIBITION ON DIRECT ASSISTANCE TO PUBLICLY INDICTED WAR CRIMINALS AND OTHER PERSONS.—Notwithstanding subsection (e) or subsection (g), 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 community described in subsection (b), for any financial or technical assistance, grant, or loan that would directly benefit a publicly indicted war criminal, any person who aids or abets a publicly indicted war criminal to evade apprehension, or any person who otherwise obstructs the work of the Tribunal.

(2) CERTIFICATION.—At the end of each fiscal year, the President shall certify to the appropriate congressional committees that no assistance described in paragraph (1) directly benefited any person described in that paragraph during the preceding 12-month period.

(g) WAIVER.—The Secretary of State may waive the application of subsection (c) with respect to specified United States projects, or subsection (d) with respect to specified international financial institution programs or projects, in a sanctioned country or entity upon providing a written determination to the appropriate congressional committees that the government of the country or entity is doing everything within its power and authority to apprehend or aid in the apprehension of publicly indicted war criminals and is fully cooperating in the investigation and prosecution of war crimes.

(h) CURRENT RECORD OF WAR CRIMINALS AND SANCTIONED COUNTRIES, ENTITIES, AND COMMUNITIES.—

(1) IN GENERAL.—The Secretary of State, acting through the Ambassador at Large for War Crimes Issues, and after consultation with the Director of Central Intelligence and the Secretary of Defense, shall establish and maintain a current record of the location, including the community, if known, of publicly indicted war criminals and of sanctioned countries, entities, and communities.

(2) REPORT.—Beginning 30 days after the date of 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 community, if known, of publicly indicted war criminals and the identity of countries, entities, and communities that are failing to cooperate fully with the Tribunal.

(3) 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.

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

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—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.

(2) CANTON.—The term ''canton'' means the administrative units in Bosnia and Herzegovina.

(3) COMMUNITY.—The term ''community'' means any canton, district, opstina, city, town, or village.

(4) COUNTRY.—The term ''country'' means Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia (Serbia-Montenegro), the Former Yugoslav Republic of Macedonia, and Slovenia.

(5) 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.

(6) ENTITY.—The term ''entity'' refers to the Federation of Bosnia and Herzegovina, the Republika Srpska, Brcko in Bosnia, Serbia, Montenegro, and Kosova.

(7) INTERNATIONAL FINANCIAL INSTITUTION.—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.

(8) PUBLICLY INDICTED WAR CRIMINALS.—The term ''publicly indicted war criminals'' means persons indicted by the Tribunal for crimes subject to the jurisdiction of the Tribunal.

(9) TRIBUNAL OR INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA.—The term ''Tribunal'' or the term ''International Criminal Tribunal for the Former Yugoslavia'' means the International Tribunal for the prosecution of persons responsible for serious violations of international humanitarian law committed in the Territory of the Former Yugoslavia since 1991, as established by United Nations Security Council Resolution 827 of May 25, 1993.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 568. Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking ''1996 and 1997'' and inserting ''1999 and 2000''.

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 569. (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.''.

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

SEC. 570. (a) None of the funds appropriated under this Act may be made available for the Government of Russian Federation, after 180 days from the date of enactment of this Act, unless the President determines and certifies in writing to the Committee 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. 571. (a) Funds made available in this Act to support programs or activities 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.

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 572. 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.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 573. Not to exceed 5 per centum 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 per centum by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 574. (a) None of the funds appropriated under the heading ''Assistance for the New Independent States of the Former Soviet Union'' shall be made available for assistance for a Government of the New Independent States 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 New Independent States of the Former Soviet Union'' shall be made available for assistance for a Government of the New Independent States of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, 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 New 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 New 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 to the New 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 New 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 heading ''Assistance for the New 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 contractors and grantees who propose investing

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

CUSTOMS ASSISTANCE

SEC. 575. 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.''.

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

SEC. 576. (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 reemployment 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 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 organizational 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.

UNITED STATES ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 577. (a) GAO CERTIFICATION.—Not more than 30 days prior to the obligation of funds made available by this Act for assistance for the Palestinian Authority, the Comptroller General of the United States shall certify that the Palestinian Authority—

(1) has adopted an acceptable accounting system to ensure that such funds will be used for their intended assistance purposes; and

(2) has cooperated with the Comptroller General in the certification process under this paragraph.

(b) GAO AUDITS.—Six months after the date of enactment of this Act, the Comptroller General of the United States shall conduct an audit to determine the extent to which the Palestinian Authority is implementing an acceptable accounting system in tracking the use of funds made available by this Act for assistance for the Palestinian Authority.

SANCTIONS AGAINST SERBIA

SEC. 578. (a) CONTINUATION OF EXECUTIVE BRANCH SANCTIONS.—The sanctions listed in subsection (b) shall remain in effect until January 1, 2001, 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-Montenegro.

(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-Montenegro 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-Montenegro to the United Nations or any organization affiliated with the United Nations, to veto any resolution to allow Serbia-Montenegro to assume the United Nations' membership of the former Socialist Federal Republic of Yugoslavia, and to take action to prevent Serbia-Montenegro 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-Montenegro.

(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-Montenegro.

(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-Montenegro 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-Montenegro 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-Montenegro, and with the investigations concerning the commission of war crimes and crimes against humanity in Kosova;

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

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

(d) STATEMENT OF POLICY.—It is the sense of the Congress that the United States should not restore full diplomatic relations with Serbia-Montenegro 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.—The sanctions described in subsection (b)(1) should not apply to the government of Montenegro or Kosova.

(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.—

(1) 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 or to achieve a negotiated settlement of the conflict in Kosova that is acceptable to the parties.

(2) Such a wavier may only be effective upon certification by the President to Congress that the United States has transferred and will continue to transfer (subject to adequate protection of intelligence sources and methods) to the International Criminal Tribunal for the former Yugoslavia all information it has collected in support of an indictment and trial of President Slobodan Milosevic for war crimes, crimes against humanity, or genocide.

(3) In the event of a waiver, within seven days the President must report the basis upon which the waiver was made to the Select Committee on Intelligence and the Committee on Foreign Relations in the Senate, and the Permanent Select Committee on Intelligence and the Committee on International Relations in the House of Representatives.

CLEAN COAL TECHNOLOGY

SEC. 579. (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 Environmental Facility, and activities funded from USAID's Development Credit Authority.

SENSE OF CONGRESS ON MANAGEMENT OF UNITED STATES INTERESTS IN UKRAINE

SEC. 580. (a) FINDINGS.—Congress makes the following findings:

(1) Ukraine is a major European nation as it has the second largest territory and sixth largest population of all the States of Europe.

(2) Ukraine has important geopolitical and economic roles to play within Central and Eastern Europe.

(3) A strong, stable, and secure Ukraine serves the interests of peace and stability in all of Europe, which are important national security interests of the United States.

(4) Ukraine is a member State of the Council of Europe, the Organization on Security and Cooperation in Europe, the Central European Initiative, and the Euro-Atlantic Partnership Conference, is a participant in the Partnership for Peace program of the North Atlantic Treaty Organization, and has entered into a Partnership and Cooperation Agreement with the European Union.

(5) The Government of Ukraine has clearly articulated its country's aspirations to become fully integrated into European and transatlantic institutions, and, in pursuit of the attainment of that aspiration, the government of Ukraine has requested associate membership in the European Union with the intent of eventually becoming a full member of the European Union.

(6) It is the policy of the United States to support the aspiration of Ukraine to assume its rightful place among the European and transatlantic community of democratic States and in European and transatlantic institutions.

(7) In the United States Government, the responsibility for management of United States interests in Ukraine would be most effectively performed by the officials who perform the responsibility for management of United States interests in Europe, and a designation of those officials to do so would strongly underscore and most effectively support attainment of the United States objective to build a Europe whole and free.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of State should designate the Assistant Secretary of State for European Affairs to perform, through the Bureau of European Affairs of the Department of State, the responsibilities of the Department of State for the management of United States interests in Ukraine.

CONGRESSIONAL NOTIFICATION WITH RESPECT TO ACQUISITION OF USAID FACILITIES

SEC. 581. (a) Funds appropriated under the heading ''OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT'' may be made available for acquisition of office space exceeding $5,000,000 of the United States Agency for International Development only if the appropriate congressional committees are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

(b) As used in this section, the term ''acquisition'' shall have the same meaning as in the Foreign Service Building Act of 1926.

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

SEC. 582. (a) PROHIBITION.—Except as provided in subsection (b), none of the 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 may be used for the procurement of, any article produced outside the United States, the recipient country, or least developed countries, or any service provided by a foreign person.

(b) EXCEPTION.—Subsection (a) shall not apply if—

(1) the provision of such assistance requires articles of a type that are produced in and services that are available for purchase in the United States, the recipient country, or least developed countries, or if the cost of articles and services produced in or available from the United States and such other countries is significantly more expensive, including the cost of transportation, than the cost from other sources; or

(2) the President determines that the application of subsection (a) will impair the ability of the United States to maximize the use of United States articles and services in such reconstruction efforts of other donor countries, or if the President otherwise determines that subsection (a) will impair United States foreign assistance objectives.

(c) DEFINITIONS.—In this section:

(1) ARTICLE.—The term ''article'' means any agricultural commodity, steel, communications equipment, farm machinery, or petrochemical refinery equipment.

(2) FEDERAL REPUBLIC OF YUGOSLAVIA.—The term ''Federal Republic of Yugoslavia'' means the Federal Republic of Yugoslavia (Serbia and Montenegro) and includes Kosova.

(3) FOREIGN PERSON.—The term ''foreign person'' means any foreign national, exclusive of any national of the recipient country or least developed countries, including any foreign corporation, partnership, other legal entity, organization, or association that is beneficially owned by foreign persons or controlled in fact by foreign persons.

(4) PRODUCED.—The term ''produced'', with respect to an item, includes any item mined, manufactured, made, assembled, grown, or extracted.

(5) SERVICE.—The term ''service'' means any engineering, construction or telecommunications.

(6) STEEL.—The term ''steel'' includes the following categories of steel products: semi-finished, plates, sheets and strips, wire rods, wire and wire products, rail type products, bars, structural shapes and units, pipes and tubes, iron ore, and coke products.

ALLOCATION OF FUNDS FOR THE IRAQ FOUNDATION.

SEC. 583. Of the funds made available by this Act for activities of Iraqi opposition groups designated under the Iraqi Liberation Act (Public Law 105–338), $250,000 shall be made available for the Iraq Foundation.

SELF-DETERMINATION IN EAST TIMOR

SEC. 584. (a) The President, the Secretary of State, the Secretary of Defense, and the Secretary of the Treasury (acting through United States executive directors to international financial institutions) should immediately intensify their efforts to prevail upon the Indonesian Government and military to—

(1) disarm and disband anti-independence militias in East Timor;

(2) grant full access to East Timor by international human rights monitors, humanitarian organizations, and the press;

(3) allow Timorese who have been living in exile to return to East Timor to campaign for and participate in the ballot; and

(4) release all political prisoners.

(b) The President shall submit a report to Congress not later than 15 days after passage of this Act, containing a description of the Administration's efforts and his assessment of efforts made by the Indonesian Government and military to fulfill the steps described in paragraph (a).

(c) The Secretary of the Treasury shall direct the United States executive directors to international financial institutions to take into account the extent of efforts made by the Indonesian Government and military to fulfill the steps described in paragraph (a), in determining their vote on any loan or financial assistance to Indonesia.

SENSE OF THE SENATE ON THE CITIZENS DEMOCRACY CORPS

SEC. 585. It is the sense of the Senate that with regard to promoting economic development and open, democratic countries in the former Soviet Union and Central Eastern Europe, the Committee commends the work of the Citizens Democracy Corps (CDC), which utilizes senior-level United States business volunteers to assist enterprises, institutions, and local governments abroad. Their work demonstrates the significant impact that United States Agency for International Development (USAID) support of a United States nongovernmental organization (NGO) program can have on the key United States foreign policy priorities of promoting broad-based, stable economic growth and open, market-oriented economies in transitioning economies. By drawing upon the skills and voluntary spirit of United States businessmen and women to introduce companies, CDC furthers the goals of the Freedom of Support Act (NIS) and Support for Eastern European Democracy (SEED), forging positive, lasting connections between the United States and these countries. The Committee endorses CDC's very cost-effective programs and believes they should be supported and expanded not only in the former Soviet Union and Eastern Europe, but in transitioning and developing economies throughout the world.

ASSISTANCE TO PROMOTE DEMOCRACY AND CIVIL SOCIETY IN YUGOSLAVIA

SEC. 586. (a) ASSISTANCE.—

(1) PURPOSE OF ASSISTANCE.—The purpose of assistance under this subsection is to promote and strengthen institutions of democratic government and the growth of an independent civil society in Yugoslavia, including ethnic tolerance and respect for internationally recognized human rights.

(2) AUTHORIZATION FOR ASSISTANCE.—The President is authorized to furnish assistance and other support for individuals and independent nongovernmental organizations to carry out the purpose of paragraph (1) through support for the activities described in paragraph (3).

(3) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under paragraph (2) include the following:

(A) Democracy building.

(B) The development of nongovernmental organizations.

(C) The development of independent media.

(D) The development of the rule of law, a strong, independent judiciary, and transparency in political practices.

(E) International exchanges and advanced professional training programs in skill areas central to the development of civil society and a market economy.

(F) The development of all elements of the democratic process, including political parties and the ability to administer free and fair elections.

(G) The development of local governance.

(H) The development of a free-market economy.

(4) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated to the President $100,000,000 for the period beginning October 1, 1999, and ending September 30, 2001, to carry out this subsection.

(B) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subparagraph (a) are authorized to remain available until expended.

(b) PROHIBITION ON ASSISTANCE TO GOVERNMENT OF SERBIA.—In carrying out subsection (a), the President shall take all necessary steps to ensure that no funds or other assistance is provided to the Government of Yugoslavia or to the Government of Serbia.

(c) ASSISTANCE TO GOVERNMENT OF MONTENEGRO.—In carrying out subsection (a), the President is authorized to provide assistance to the Government of Montenegro, if the President determines, and so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, that the Government of Montenegro is committed to, and is taking steps to promote, democratic principles, the rule of law, and respect for internationally recognized human rights.

FOREIGN MILITARY TRAINING REPORT

SEC. 587. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by January 31, 2000 a report on all military training provided to foreign military personnel (excluding sales) 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.

CONTROL AND ELIMINATE THE INTERNATIONAL PROBLEM OF TUBERCULOSIS

SEC. 588. (a) FINDINGS.—The Congress finds that:

(1) Since the development of antibiotics in the 1950's, tuberculosis has been largely controlled in the United States and the Western World.

(2) Due to societal factors, including growing urban decay, inadequate health care systems, persistent poverty, overcrowding, and malnutrition, as well as medical factors, including the HIV/AIDS epidemic and the emergence of multi-drug resistant strains of tuberculosis, tuberculosis has again become a leading and growing cause of adult deaths in the developing world.

(3) According to the World Health Organization—

(A) in 1998, about 1,860,000 people worldwide died of tuberculosis-related illnesses;

(B) one-third of the world's total population is infected with tuberculosis; and

(C) tuberculosis is the world's leading killer of women between 15 and 44 years old and is a leading cause of children becoming orphans.

(4) Because of the ease of transmission of tuberculosis, its international persistence and growth pose a direct public health threat to those nations that had previously largely controlled the disease. This is complicated in the United States by the growth of the homeless population, the rate of incarceration, international travel, immigration, and HIV/AIDS.

(5) With nearly 40 percent of the tuberculosis cases in the United States attributable to foreign-born persons, tuberculosis will never be eliminated in the United States until it is controlled abroad.

(6) The means exist to control tuberculosis through screening, diagnosis, treatment, patient compliance, monitoring, and ongoing review of outcomes.

(7) Efforts to control tuberculosis are complicated by several barriers, including—

(A) the labor intensive and lengthy process involved in screening, detecting, and treating the disease;

(B) a lack of funding, trained personnel, and medicine in virtually every nation with a high rate of the disease; and

(C) the unique circumstances in each country, which requires the development and implementation of country-specific programs.

(8) Eliminating the barriers to the international control of tuberculosis through a well-structured, comprehensive, and coordinated worldwide effort would be a significant step in dealing with the increasing public health problem posed by the disease.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that if the total allocation for this Act is higher than the level passed by the Senate, a top priority for the additional funds should be to increase the funding to combat infectious diseases, especially tuberculosis.

TO PROMOTE AN INTERNATIONAL ARMS TRANSFERS REGIME

SEC. 589. (a) EFFORTS.—The President shall continue and expand efforts through the United Nations and other international fora, including the Wassenaar Arrangement, to limit arms transfers worldwide. The President shall take the necessary steps to begin multilateral negotiations within 180 days after the date of the enactment of this Act, for the purpose of establishing a permanent multilateral regime to govern the transfer of conventional arms, particularly transfers to countries—

(1) that engage in persistent violations of human rights, engage in acts of armed aggression in violation of international law, and do not fully participate in the United Nations Register of Conventional Arms; and

(2) in regions in which arms transfers would exacerbate regional arms races or international tensions that present a danger to international peace and stability.

(b) REPORT TO CONGRESS.—Not later than 6 months after the commencement of the negotiations under subsection (a), and not later than the end of every 6-month period thereafter until an agreement described in subsection (a) is concluded, the President shall report to the appropriate committees of the Congress on the progress made during these negotiations.

EXPANDED THREAT REDUCTION INITIATIVE

SEC. 590. It is the sense of the Senate that the programs contained in the Expanded Threat Reduction Initiative are vital to the national security of the United States and that funding for those programs should be restored in conference to the levels requested in the President's budget.

SENSE OF THE SENATE REGARDING UNITED STATES COMMITMENTS UNDER THE UNITED STATES-NORTH KOREAN AGREED FRAMEWORK

SEC. 591. It is the sense of the Senate that, as long as North Korea meets its obligations under the United States-North Korean Nuclear Agreed Framework of 1994, the United States should meet its commitments under the Agreed Framework, including required deliveries of heavy fuel oil to North Korea and support of the Korean Peninsula Energy Development Organization (KEDO).

EXPANDED THREAT REDUCTION INITIATIVE

SEC. 592. The Senate finds that:

(1) The proposed programs under the Expanded Threat Reduction Initiative (ETRI) are critical and essential to preserving United States national security.

(2) The Department of State programs under the ETRI be funded at or near the full request of $250,000,000 in the Foreign Operations Appropriations Act for Fiscal Year 2000 prior to final passage.

SENSE OF THE SENATE REGARDING AN INTERNATIONAL CONFERENCE ON THE BALKANS.

SEC. 593. (a) FINDINGS.—The Senate makes the following findings:

(1) The United States and its allies in the North Atlantic Treaty Organization (NATO) conducted large-scale military operations against the Federal Republic of Yugoslavia.

(2) At the conclusion of 78 days of these hostilities, the United States and its NATO allies suspended military operations against the Federal Republic of Yugoslavia based upon credible assurances by the latter that it would fulfill the following conditions as laid down by the so called Group of Eight (G–8):

(A) An immediate and verifiable end of violence and repression in Kosova.

(B) Staged withdrawal of all Yugoslav military, police, and paramilitary forces from Kosova.

(C) Deployment in Kosova of effective international and security presences, endorsed and adopted by the United Nations Security Council, and capable of guaranteeing the achievement of the agreed objectives.

(D) Establishment of an interim administration for Kosova, to be decided by the United Nations Security Council which will seek to ensure conditions for a peaceful and normal life for all inhabitants in Kosova.

(E) Provision for the safe and free return of all refugees and displaced persons from Kosova and an unimpeded access to Kosova by humanitarian aid organizations.

(3) These objectives appear to have been fulfilled, or to be in the process of being fulfilled, which has led the United States and its NATO allies to terminate military operations against the Federal Republic of Yugoslavia.

(4) The G–8 also called for a comprehensive approach to the economic development and stabilization of the crisis region, and the European Union has announced plans for $1,500,000,000 over the next 3 years for the reconstruction of Kosova, for the convening in July of an international donors' conference for Kosova aid, and for subsequent provision of reconstruction aid to the other countries in the region affected by the recent hostilities followed by reconstruction aid directed at the Balkans region as a whole.

(5) The United States and some of its NATO allies oppose the provision of any aid, other than limited humanitarian assistance, to Serbia until Yugoslav President Slobodan Milosevic is out of office.

(6) The policy of providing reconstruction aid to Kosova and other countries in the region affected by the recent hostilities while withholding such aid for Serbia presents a number of practical problems, including the absence in Kosova of financial and other institutions independent of Yugoslavia, the difficulty in drawing clear and enforceable distinctions between humanitarian and reconstruction assistance, and the difficulty in reconstructing Montenegro in the absence of similar efforts in Serbia.

(7) In any case, the achievement of effective and durable economic reconstruction and revitalization in the countries of the Balkans is unlikely until a political settlement is reached as to the final status of Kosova and Yugoslavia.

(8) The G–8 proposed a political process towards the establishment of an interim political framework agreement for a substantial self-government for Kosova, taking into full account the final Interim Agreement for Peace and Self-Government in Kosova, also known as the Rambouillet Accords, and the principles of sovereignty and territorial integrity of the Federal Republic of Yugoslavia and the other countries of the region, and the demilitarization of the UCK (Kosova Liberation Army).

(9) The G–8 proposal contains no guidance as to a final political settlement for Kosova and Yugoslavia, while the original position of the United States and the other participants in the so-called Contact Group on this matter, as reflected in the Rambouillet Accords, called for the convening of an international conference, after 3 years, to determine a mechanism for a final settlement of Kosova status based on the will of the people, opinions of relevant authorities, each Party's efforts regarding the implementation of the agreement and the provisions of the Helsinki Final Act.

(10) The current position of the United States and its NATO allies as to the final status of Kosova and Yugoslavia calls for an autonomous, multiethnic, democratic Kosova which would remain as part of Serbia, and such an outcome is not supported by any of the Parties directly involved, including the governments of Yugoslavia and Serbia, representatives of the Kosovar Albanians, and the people of Yugoslavia, Serbia and Kosova.

(11) There has been no final political settlement in Bosnia-Herzegovina, where the Armed Forces of the United States, its NATO allies, and other non-Balkan nations have been enforcing an uneasy peace since 1996, at a cost to the United States alone of over $10,000,000,000, with no clear end in sight to such enforcement.

(12) The trend throughout the Balkans since 1990 has been in the direction of ethnically based particularism, as exemplified by the 1991 declarations of independence from Yugoslavia by Slovenia and Croatia, and the country in the Balkans which currently comes the closest to the goal of a democratic government which respects the human rights of its citizens is the nation of Slovenia, which was the first portion of the former Federal Republic of Yugoslavia to secede and is also the nation in the region with the greatest ethnic homogeneity, with a population which is 91 percent Slovene.

(13) The boundaries of the various national and sub-national divisions in the Balkans have been altered repeatedly throughout history, and international conferences have frequently played the decisive role in fixing

such boundaries in the modern era, including the Berlin Congress of 1878, the London Conference of 1913, and the Paris Peace Conference of 1919.

(14) The development of an effective exit strategy for the withdrawal from the Balkans of foreign military forces, including the armed forces of the United States, its NATO allies, Russia, and any other nation from outside the Balkans which has such forces in the Balkans is in the best interests of all such nations.

(15) The ultimate withdrawal of foreign military forces, accompanied by the establishment of durable and peaceful relations among all of the nations and peoples of the Balkans is in the best interests of those nations and peoples.

(16) An effective exit strategy for the withdrawal from the Balkans of foreign military forces is contingent upon the achievement of a lasting political settlement for the region, and that only such a settlement, acceptable to all parties involved, can ensure the fundamental goals of the United States of peace, stability, and human rights in the Balkans;

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should call immediately for the convening of an international conference on the Balkans, under the auspices of the United Nations, and based upon the principles of the Rambouillet Accords for a final settlement of Kosova status, namely that such a settlement should be based on the will of the people, opinions of relevant authorities, each Party's efforts regarding the implementation of the agreement and the provisions of the Helsinki Final Act;

(2) the international conference on the Balkans should also be empowered to seek a final settlement for Bosnia-Herzegovina based on the same principles as specified for Kosova in the Rambouillet Accords; and

(3) in order to produce a lasting political settlement in the Balkans acceptable to all parties, which can lead to the departure from the Balkans in timely fashion of all foreign military forces, including those of the United States, the international conference should have the authority to consider any and all of the following: political boundaries; humanitarian and reconstruction assistance for all nations in the Balkans; stationing of United Nations peacekeeping forces along international boundaries; security arrangements and guarantees for all of the nations of the Balkans; and tangible, enforceable and verifiable human rights guarantees for the individuals and peoples of the Balkans.

INTERNATIONAL DISASTER ASSISTANCE FOR OPPOSITION-CONTROLLED AREAS OF SUDAN

SEC. 594. Notwithstanding any other provision of law, of the funds made available under chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance) for fiscal year 2000, up to $4,000,000 should be made available for rehabilitation and economic recovery in opposition-controlled areas of Sudan. Such funds are to be used to improve economic governance, primary education, agriculture, and other locally-determined priorities. Such funds are to be programmed and implemented jointly by the United States Agency for International Development and the Department of Agriculture, and may be utilized for activities which can be implemented for a period of up to two years.

HUMANITARIAN ASSISTANCE FOR SUDANESE INDIGENOUS GROUPS

SEC. 595. The President, acting through the appropriate Federal agencies, is authorized to provide humanitarian assistance, including food, directly to the National Democratic Alliance participants and the Sudanese People's Liberation Movement operating outside of the Operation Lifeline Sudan structure.

DEVELOPMENT ASSISTANCE FOR OPPOSITION-CONTROLLED AREAS OF SUDAN

SEC. 596. (a) INCREASE IN DEVELOPMENT ASSISTANCE.—The President, acting through the United States Agency for International Development, is authorized to increase substantially the amount of development assistance for capacity building, democracy promotion, civil administration, judiciary, and infrastructure support in opposition-controlled areas of Sudan.

(b) QUARTERLY REPORT.—The President shall submit a report on a quarterly basis to the Congress on progress made in carrying out subsection (a).

SENSE OF THE SENATE REGARDING COLOMBIA

SEC. 597. (a) FINDINGS.—Congress makes the following findings:

(1) Colombia is a democratic country fighting multiple wars—

(A) a war against the Colombian Revolutionary Armed Forces (FARC);

(B) a war against the National Liberation Army (ELN);

(C) a war against paramilitary organizations; and

(D) a war against drug lords who traffic in deadly cocaine and heroin.

(2) Colombia is the world's third most dangerous country in terms of political violence with 34 percent of world terrorist acts committed there.

(3) Colombia is the world's kidnaping capital of the world with 2,609 kidnapings reported in 1998 and 513 reported in the first three months of 1999.

(4) In 1998 alone, 308,000 Colombians were internally displaced in Colombia. Over the last decade, 35,000 Colombians have been killed.

(5) The FARC and ELN are the two main guerrilla groups which have waged the longest-running antigovernment insurgency in Latin America.

(6) The Colombian rebels have a combined strength of 10,000 to 20,000 full-time guerrillas; they have initiated armed action in nearly 700 of the country's 1073 municipalities, and control or influence roughly 60 percent of rural Colombia including a demilitarized zone using their armed stranglehold to abuse Colombian citizens.

(7) Although the Colombian Army has 122,000 soldiers, there are roughly only 20,000 soldiers available for offensive combat operations.

(8) Colombia faces the threat of the armed paramilitaries, 5,000 strong, who are constantly driving a wedge in the peace process by their insistence in participating in the peace talks.

(9) More than 75 percent of the world's cocaine HCL and 75 percent of the heroin seized in the northeast United States is of Colombian origin.

(10) The conflicts in Colombia are creating spillovers to the border countries of Venezuela, Panama and Ecuador: Venezuela has sent 30,000 troops to its border and Ecuador is sending 10,000 troops to its border.

(11) Venezuela is our number one supplier of oil.

(12) By the end of 1999, all United States military troops will have departed from Panama, leaving the Panama Canal unprotected.

(13) In 1998, two-way trade between the United States and Colombia was more than $11,000,000,000, making the United States Colombia's number one trading partner and Colombia the fifth largest market for United States exports in the region.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should recognize the crisis in Colombia and play a more proactive role in its resolution;

(2) the United States should mobilize the international community to proactively engage in resolving Colombian wars; and

(3) the United States should pledge our political support to help Colombia with the peace process.

ACCOUNTABILITY OF SADDAM HUSSEIN

SEC. 598. It is the sense of the Senate that the President and the Secretary of State should—

(1) raise the need for accountability of Saddam Hussein and several key members of his regime at the International Criminal Court Preparatory Commission, which will meet in New York on July 26, 1999, through August 13, 1999;

(2) continue to push for the creation of a commission under the auspices of the United Nations to establish an international record of the criminal culpability of Saddam Hussein and other Iraqi officials;

(3) continue to push for the United Nations to form an international criminal tribunal for the purpose of indicting, prosecuting, and imprisoning Saddam Hussein and any other Iraqi officials who may be found responsible for crimes against humanity, genocide, and other violations of international humanitarian law; and

(4) upon the creation of a commission and international criminal tribunal, take steps necessary, including the reprogramming of funds, to ensure United States support for efforts to bring Saddam Hussein and other Iraqi officials to justice.

SENSE OF THE SENATE REGARDING ASSISTANCE PROVIDED TO LITHUANIA, LATVIA, AND ESTONIA

SEC. 599. It is the sense of the Senate that nothing in this Act, or Senate Report Number 106–81, relating to assistance provided to Lithuania, Latvia, and Estonia under the Foreign Military Financing Program, should be interpreted as expressing the will of the Senate to accelerate membership of those nations into the North Atlantic Treaty Organization (NATO).

CONSULTATIONS ON ARMS SALES TO TAIWAN

SEC. 599A. 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.

SENSE OF THE SENATE REGARDING ASSISTANCE UNDER THE CAMP DAVID ACCORDS.

SEC. 599B. (a) FINDINGS.—The Senate makes the following findings:

(1) Egypt and Israel together negotiated the Camp David Accords, an historic breakthrough in beginning the process of bringing peace to the Middle East.

(2) As part of the Camp David Accords, a concept was reached regarding the ratio of United States foreign assistance between Egypt and Israel, a formula which has been followed since the signing of the Accords.

(3) The United States is reducing economic assistance to Egypt and Israel, with the agreement of those nations.

(4) The United States is committed to maintaining proportionality between Egypt and Israel in United States foreign assistance programs.

(5) Egypt has consistently fulfilled an historic role of peacemaker in the context of the Arab-Israeli disputes.

(6) The recent elections in Israel offer fresh hope of resolving the remaining issues of dispute in the region.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should provide Egypt access to an interest bearing account as part of the United States foreign assistance program pursuant to the principles of proportionality which underlie the Camp David Accords.

AUTHORIZATIONS

SEC. 599C. The Secretary of the Treasury may, to fulfill commitments of the United States, (1) effect the United States participation in the fifth general capital increase of the African Development Bank, the first general capital increase of the Multilateral Investment Guarantee Agency, and the first general capital increase of the Inter-American Investment Corporation; (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: $40,847,011 for paid-in capital, and $639,932,485 for callable capital, of the African Development Bank; $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.

WORKING CAPITAL FUND

SEC. 599D. Section 635 of the Foreign Assistance Act of 1961 (22 U.S.C. 2395) is amended by adding a new subsection (l) as follows:

''(l)(1) There is hereby established a working capital fund for the United States Agency for International Development which shall be available without fiscal year limitation for the expenses of personal and nonpersonal services, equipment and supplies for: (A) International Cooperative Administrative Support Services; (B) central information technology, library, audiovisual and administrative support services; (C) medical and health care of participants and others; and (D) such other functions which the Administrator of such agency, with the approval of the Office of Management and Budget, determines may be provided more advantageously and economically as central services.

''(2) The Capital of the fund shall consist of the fair and reasonable value of such supplies, equipment and other assets pertaining to the functions of the fund as the Administrator determines and any appropriations made available for the purpose of providing capital, less related liabilities.

''(3) The fund shall be reimbursed or credited with advance payments for services, equipment or supplies provided from the fund from applicable appropriations and funds of the agency, other Federal agencies and other sources authorized by section 607 of this Act at rates that will recover total expenses of operation, including accrual of annual leave and depreciation. Receipts from the disposal of, or payments for the loss or damage to, property held in the fund, rebates, reimbursements, refunds and other credits applicable to the operation of the fund may be deposited in the fund.

''(4) The agency shall transfer to the Treasury as miscellaneous receipts as of the close of the fiscal year such amounts which the Administrator determines to be in excess of the needs of the fund.

''(5) The fund may be charged with the current value of supplies and equipment returned to the working capital of the fund by a post, activity or agency and the proceeds shall be credited to current applicable appropriations.''.

DEVELOPMENT CREDIT AUTHORITY PROGRAM ACCOUNT

SEC. 599E. For the cost of direct loans and loan guarantees, up to $7,500,000 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 BALTIC 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.

SILK ROAD STRATEGY ACT OF 1999.

SEC. 599F. (a) SHORT TITLE.—This section may be cited as the ''Silk Road Strategy Act of 1999''.

(b) AMENDMENT OF THE FOREIGN ASSISTANCE 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 promote 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''; 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 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.''.

TITLE VI—INTERNATIONAL TRAFFICKING OF WOMEN AND CHILDREN VICTIM PROTECTION

SHORT TITLE

SEC. 601. This title may be cited as the ''International Trafficking of Women and Children Victim Reporting Act of 1999''.

PURPOSES

SEC. 602. The purposes of this title are to condemn and combat the international crime of trafficking in women and children and to assist the victims of this crime by requiring an annual report including the identification of foreign governments that tolerate or participate in trafficking and fail to cooperate with international efforts to prosecute perpetrators.

DEFINITIONS

SEC. 603. In this title:

(1) TRAFFICKING.—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 purpose of placing or holding such person, whether for pay or not, in involuntary servitude, or slavery or slavery-like conditions, or in forced, bonded, or coerced labor.

(2) VICTIM OF TRAFFICKING.—The term ''victim of trafficking'' means any person subjected to the treatment described in paragraph (2).

ANNUAL REPORT TO CONGRESS

SEC. 604. (a) REPORT.—Not later than March 1, 2000, the Secretary of State shall submit a report to Congress describing the status of international trafficking, including—

(1) a list of foreign states where trafficking originates, passes through, or is a destination; and

(2) an assessment of the efforts by the governments described in paragraph (1) to combat trafficking. Such an assessment shall address—

(A) whether governmental authorities tolerate or are involved in trafficking activities;

(B) which governmental authorities are involved in anti-trafficking activities;

(C) what steps the government has taken toward ending the participation of its officials in trafficking;

(D) what steps the government has taken to prosecute and investigate those officials found to be involved in trafficking;

(E) what steps the government has taken to prohibit other individuals from participating in trafficking, including the investigation, prosecution, and conviction of individuals involved in trafficking, the criminal and civil penalties for trafficking, and the efficacy of those penalties on reducing or ending trafficking;

(F) what steps the government has taken to assist trafficking victims, including efforts to prevent victims from being further victimized by police, traffickers, or others, grants of stays of deportation, and provision of humanitarian relief, including provision of mental and physical health care and shelter;

(G) whether the government is cooperating with governments of other countries to extradite traffickers when requested;

(H) whether the government is assisting in international investigations of transnational trafficking networks; and

(I) whether the government—

(i) refrains from prosecuting trafficking victims or refrains from other discriminatory treatment towards trafficking victims due to such victims having been trafficked, or the nature of their work, or their having left the country illegally; and

(ii) recognizes the rights of victims and ensures their access to justice.

(b) CONTACTS WITH NONGOVERNMENTAL ORGANIZATIONS.—In compiling data and assessing trafficking for the State Department's Annual Human Rights Report and the report referred to in subsection (a), United States mission personnel shall consult with human rights and other appropriate nongovernmental organizations, including receiving reports and updates from such organizations, and, when appropriate, investigating such reports.

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

AUTHORITY FOR COMMITTEES TO FILE LEGISLATIVE MATTERS

Mr. GORTON. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate, committees have from 11 a.m. until 1 p.m. on Thursday, July 8, in order to file legislative matters.

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

MEASURE READ THE FIRST TIME—H.R. 1218

Mr. GORTON. Mr. President, I understand that H.R. 1218 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1218) to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

Mr. GORTON. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, who consulted with the Speaker of the House of Representatives and the minority leaders of the Senate and the House, and pursuant to Public Law 105–277, announces the designation of Allan H. Meltzer, of Pennsylvania, as the Chairman of the International Financial Institution Advisory Commission.

S. 416, S. 700, S. 776, S. 323 AND S. 1027, EN BLOC

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration en bloc of the following bills reported by the Energy Committee: S. 416, calendar No. 130; S. 700, calendar No. 135; S. 776, calendar No. 136; S. 323, calendar No. 140; and S. 1027, calendar No. 178.

I ask unanimous consent that an amendment No. 1225 to S. 416 be agreed to, any committee amendments where applicable be agreed to, the bills then be considered read a third time and passed, as amended, if amended, any title amendments be agreed to, the motions to reconsider be laid upon the table, and that any statements relating to any of these bills be printed in the RECORD, with the above occurring en bloc.

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

SEWAGE TREATMENT FACILITY IN SISTERS, OREGON

The Senate proceeded to consider the bill (S. 416) to direct the Secretary of Agriculture to convey to the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility, which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 416

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

SECTION 1. FINDINGS.

Congress finds that—

(1) the city of Sisters, Oregon, faces a public health threat from a major outbreak of infectious diseases due to the lack of a sewer system;

(2) the lack of a sewer system also threatens groundwater and surface water resources in the area;

(3) the city is surrounded by Forest Service land and has no reasonable access to non-Federal parcels of land large enough, and with the proper soil conditions, for the development of a sewage treatment facility;

(4) the Forest Service currently must operate, maintain, and replace 11 separate septic systems to serve existing Forest Service facilities in the city of Sisters; and

(5) the Forest Service currently administers 77 acres of land within the city limits that would increase in value as a result of construction of a sewer system.

SEC. 2. CONVEYANCE.

(a) IN GENERAL.—**[**Not later than 1 year**]** *As soon as practicable and upon completion of any documents or analysis required by any environmental law, but not later than 180 days* after the date of enactment of this Act, the Secretary of Agriculture shall convey to the city of Sisters, Oregon, at no cost to the city except the cost of preparation of any documents required by any environmental law in connection with the **[**conveyance, the parcel of land described in subsection (b).

[(b) LAND DESCRIPTION.—The land described in this subsection is the parcel of land located in—**]**

conveyance, an amount of land that is not more than is reasonably necessary for a sewage treatment facility and for the disposal of treated effluent consistent with subsection (c).

''(b) LAND DESCRIPTION.—The amount of land conveyed under subsection (a) shall be not less than 160 acres and not more than 240 acres from within the following—

(1) the SE quarter of section 09, township 15 south, range 10 west, W.M., Deschutes, Oregon, and the portion of the SW quarter of section 09, township 15 south, range 10 west, W.M., Deschutes, Oregon, that lies east of Three Creeks Lake Road, but not including the westernmost 500 feet of that portion; and

(2) the portion of the SW quarter of section 09, township 15 south, range 10 west, W.M., Deschutes County, Oregon, lying easterly of Three Creeks Lake Road.

(c) CONDITION.—The conveyance under subsection (a) shall be made on the condition that the city agree to conduct a public process before the final determination is made regarding land use for the disposition of treated effluent.

[(d) SPECIAL USE PERMIT.—Not later than 120 days after the date of enactment of this Act, in compliance with applicable environmental laws (including regulations), the Secretary shall issue a special use permit for the land conveyed under subsection (a) that allows the city access to the land for the purpose of commencing construction of the sewage treatment plant.

[(e)**]** *(d)* USE OF LAND.—

(1) IN GENERAL.—The land conveyed under subsection (a) shall be used by the city for a sewage treatment facility and for the disposal of treated effluent.

(2) OPTIONAL REVERTER.—If at any time the land conveyed under subsection (a) ceases to be used for a purpose described in paragraph (1), at the option of the United States, title to the land shall revert to the United States.

[SEC. 3. SALE OF ADMINISTRATIVE LAND.

[(a) IN GENERAL.—Not later than 3 years after the date of enactment of the Act, and notwithstanding any other provision of law, the Secretary shall sell, at fair market value, not less than a total of 6 acres of unimproved land in the city that is currently designated for administrative use. There are authorized to be appropriated such sums as are necessary to prepare the sale.

[(b) DEPOSIT OF PROCEEDS.—The Secretary shall deposit the proceeds of a sale under subsection (a) in the fund established by Public Law 90–171 (commonly known as the ''Sisk Act'') (16 U.S.C. 484a).

[(c) USE OF PROCEEDS.—

[(1) IN GENERAL.—Funds deposited under subsection (b) shall be available for expenditure, without further Act of appropriation, as follows:

[(A) Not more than 25 percent shall be available for administrative improvements at the Sisters Ranger District.

[(B) The remainder shall be available for purposes that are directly related to improving the long-term condition of the watershed of Squaw Creek, a tributary of the Deschutes River, Oregon.

[(2) METHOD OF EXPENDITURE.—The supervisor of the Deschutes National Forest may expend funds deposited under subsection (b) directly or may provide the funds in the form of grants to local watershed councils, including the Working Group (as defined in section 1025(a) of division I of the Omnibus Parks and Public Lands Management Act of 1996 (110 Stat. 4226)).**]**

The committee amendments were agreed to.

AMENDMENT NO. 1225

(Purpose: To authorize the acquisition of replacement lands)

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. SMITH of Oregon, for himself and Mr. WYDEN, proposes an amendment numbered 1225.

The amendment (No. 1225) was agreed to, as follows:

On page 3, line 12, strike the quotation marks.

On page 3, line 14, strike ''the following''.

At the end, add the following:

''(e) AUTHORITY TO ACQUIRE LAND IN SUBSTITUTION.—Subject to the availability of appropriations, the Secretary shall acquire land within Oregon, and within or in the vicinity of the Deschutes National Forest of an acreage equivalent to that of the land conveyed under subsection (a). Any lands acquired shall be added to and administered as part of the Deschutes National Forest.''.

The bill (S. 426), as amended, was considered read the third time and passed, as follows:

S. 416

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

SECTION 1. FINDINGS.

Congress finds that—

(1) the city of Sisters, Oregon, faces a public health threat from a major outbreak of infectious diseases due to the lack of a sewer system;

(2) the lack of a sewer system also threatens groundwater and surface water resources in the area;

(3) the city is surrounded by Forest Service land and has no reasonable access to non-Federal parcels of land large enough, and with the proper soil conditions, for the development of a sewage treatment facility;

(4) the Forest Service currently must operate, maintain, and replace 11 separate septic systems to serve existing Forest Service facilities in the city of Sisters; and

(5) the Forest Service currently administers 77 acres of land within the city limits that would increase in value as a result of construction of a sewer system.

SEC. 2. CONVEYANCE.

(a) IN GENERAL.—As soon as practicable and upon completion of any documents or analysis required by any environmental law, but not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall convey to the city of Sisters, Oregon, at no cost to the city except the cost of preparation of any documents required by any environmental law in connection with the conveyance, an amount of land that is not more than is reasonably necessary for a sewage treatment facility and for the disposal of treated effluent consistent with subsection (c).

(b) LAND DESCRIPTION.—The amount of land conveyed under subsection (a) shall be not less than 160 acres and not more than 240 acres from within—

(1) the SE quarter of section 09, township 15 south, range 10 west, W.M., Deschutes, Oregon, and the portion of the SW quarter of section 09, township 15 south, range 10 west, W.M., Deschutes, Oregon, that lies east of Three Creeks Lake Road, but not including the westernmost 500 feet of that portion; and

(2) the portion of the SW quarter of section 09, township 15 south, range 10 west, W.M., Deschutes County, Oregon, lying easterly of Three Creeks Lake Road.

(c) CONDITION.—The conveyance under subsection (a) shall be made on the condition that the city agree to conduct a public process before the final determination is made regarding land use for the disposition of treated effluent.

(d) USE OF LAND.—

(1) IN GENERAL.—The land conveyed under subsection (a) shall be used by the city for a sewage treatment facility and for the disposal of treated effluent.

(2) OPTIONAL REVERTER.—If at any time the land conveyed under subsection (a) ceases to be used for a purpose described in paragraph (1), at the option of the United States, title to the land shall revert to the United States.

(e) AUTHORITY TO ACQUIRE LAND IN SUBSTITUTION.—Subject to the availability of appropriations, the Secretary shall acquire land within Oregon, and within or in the vicinity of the Deschutes National Forest, of an acreage equivalent to that of the land conveyed under subsection (a). Any lands acquired shall be added to and administered as part of the Deschutes National Forest.

ALA KAHAKAI NATIONAL HISTORIC TRAIL ACT

The Senate proceeded to consider the bill (S. 700) to amend the National Trails System Act to designate the Ala Kahakai Trail as a National Historic Trail, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill or joint resolution intended to be inserted are shown in italic)

S. 700

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 ''Ala Kahakai National Historic Trail Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Ala Kahakai (Trail by the Sea) is an important part of the ancient trail known as the ''Ala Loa'' (the long trail), which circumscribes the island of Hawaii;

(2) the Ala Loa was the major land route connecting 600 or more communities of the island kingdom of Hawaii from 1400 to 1700;

(3) the trail is associated with many prehistoric and historic housing areas of the island of Hawaii, nearly all the royal centers, and most of the major temples of the island;

(4) the use of the Ala Loa is also associated with many rulers of the kingdom of Hawaii, with battlefields and the movement of armies during their reigns, and with annual taxation;

(5) the use of the trail played a significant part in events that affected Hawaiian history and culture, including—

(A) Captain Cook's landing and subsequent death in 1779;

(B) Kamehameha I's rise to power and consolidation of the Hawaiian Islands under monarchical rule; and

(C) the death of Kamehameha in 1819, followed by the overthrow of the ancient religious system, the Kapu, and the arrival of the first western missionaries in 1820; and

(6) the trail—

(A) was used throughout the 19th and 20th centuries and continues in use today; and

(B) contains a variety of significant cultural and natural resources.

SEC. 3. AUTHORIZATION AND ADMINISTRATION.

Section 5(a) of the National Trails System Act (16 U.S.C. 1244(a)) is amended—

(1) by designating the paragraphs relating to the California National Historic Trail, the Pony Express National Historic Trail, and the Selma to Montgomery National Historic Trail as paragraphs (18), (19), and (20), respectively; and

(2) by adding at the end the following:

''(21) ALA KAHAKAI NATIONAL HISTORIC TRAIL.—

''(A) IN GENERAL.—The Ala Kahakai National Historic Trail (the Trail by the Sea), a 175 mile long trail extending from **[**Upolu**]** *'Upolu* Point on the north tip of Hawaii Island down the west coast of the Island around Ka Lae to the east boundary of Hawaii Volcanoes National Park at the ancient shoreline temple known as **[**'Wahaulu'**]** *'Waha'ula'*, as generally depicted on the map entitled 'Ala Kahakai Trail', contained in the report prepared pursuant to subsection (b) entitled 'Ala Kahakai National Trail Study and Environmental Impact Statement', dated January 1998.

''(B) MAP.—A map generally depicting the trail shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior.

''(C) ADMINISTRATION.—The trail shall be administered by the Secretary of the Interior.

''(D) LAND ACQUISITION.—No land or interest in land outside the exterior boundaries of any federally administered area may be acquired by the United States for the trail except with the consent of the owner of the land or interest in land.

''(E) PUBLIC PARTICIPATION; CONSULTATION.—The Secretary of the Interior shall—

''(i) encourage communities and owners of land along the trail, native Hawaiians, and volunteer trail groups to participate in the planning, development, and maintenance of the trail; and

''(ii) consult with affected Federal, State, and local agencies, native Hawaiian groups, and landowners in the administration of the trail.''.

The committee amendments were agreed to.

The bill (S. 700), as amended, was considered read the third time and passed, as follows:

S. 700

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 ''Ala Kahakai National Historic Trail Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Ala Kahakai (Trail by the Sea) is an important part of the ancient trail known as the ''Ala Loa'' (the long trail), which circumscribes the island of Hawaii;

(2) the Ala Loa was the major land route connecting 600 or more communities of the island kingdom of Hawaii from 1400 to 1700;

(3) the trail is associated with many prehistoric and historic housing areas of the island of Hawaii, nearly all the royal centers, and most of the major temples of the island;

(4) the use of the Ala Loa is also associated with many rulers of the kingdom of Hawaii, with battlefields and the movement of armies during their reigns, and with annual taxation;

(5) the use of the trail played a significant part in events that affected Hawaiian history and culture, including—

(A) Captain Cook's landing and subsequent death in 1779;

(B) Kamehameha I's rise to power and consolidation of the Hawaiian Islands under monarchical rule; and

(C) the death of Kamehameha in 1819, followed by the overthrow of the ancient religious system, the Kapu, and the arrival of the first western missionaries in 1820; and

(6) the trail—

(A) was used throughout the 19th and 20th centuries and continues in use today; and

(B) contains a variety of significant cultural and natural resources.

SEC. 3. AUTHORIZATION AND ADMINISTRATION.

Section 5(a) of the National Trails System Act (16 U.S.C. 1244(a)) is amended—

(1) by designating the paragraphs relating to the California National Historic Trail, the Pony Express National Historic Trail, and the Selma to Montgomery National Historic Trail as paragraphs (18), (19), and (20), respectively; and

(2) by adding at the end the following:

''(21) ALA KAHAKAI NATIONAL HISTORIC TRAIL.—

''(A) IN GENERAL.—The Ala Kahakai National Historic Trail (the Trail by the Sea), a 175 mile long trail extending from 'Upolu Point on the north tip of Hawaii Island down the west coast of the Island around Ka Lae to the east boundary of Hawaii Volcanoes National Park at the ancient shoreline temple known as 'Waha'ula', as generally depicted on the map entitled 'Ala Kahakai Trail', contained in the report prepared pursuant to subsection (b) entitled 'Ala Kahakai National Trail Study and Environmental Impact Statement', dated January 1998.

''(B) MAP.—A map generally depicting the trail shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior.

''(C) ADMINISTRATION.—The trail shall be administered by the Secretary of the Interior.

''(D) LAND ACQUISITION.—No land or interest in land outside the exterior boundaries of any federally administered area may be acquired by the United States for the trail except with the consent of the owner of the land or interest in land.

''(E) PUBLIC PARTICIPATION; CONSULTATION.—The Secretary of the Interior shall—

''(i) encourage communities and owners of land along the trail, native Hawaiians, and volunteer trail groups to participate in the planning, development, and maintenance of the trail; and

''(ii) consult with affected Federal, State, and local agencies, native Hawaiian groups, and landowners in the administration of the trail.''.

LOESS HILLS PRESERVATION STUDY ACT OF 1999

The Senate proceeded to consider the bill (S. 776) to authorize the National Park Service to conduct a feasibility study for the preservation of the Loess Hills in western Iowa, which had been reported from the Committee on Energy and Natural Resources, with amendments as follows:

(The parts of the bill intended to be inserted are shown in italic.)

S. 776

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 ''Loess Hills Preservation Study Act of 1999''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Loess Hills encompasses 600,000 acres in western Iowa, having been formed by ancient glaciers and hundreds of centuries of westerly winds blowing soil across the Missouri River, which were then deposited in Iowa;

(2) this area is the largest Loess formation in the United States, and one of the two largest in the world, supporting several species of rare native prairie grasses;

(3) portions of the Loess Hills remain undeveloped and provide an important opportunity to protect and preserve an historic, rare and unique natural resource;

(4) a program to study the Loess Hills can only be successfully implemented with the cooperation and participation of affected local governments and landowners;

(5) in 1986, the Loess Hills area was designated as a National Natural Landmark in recognition of the area's nationally significant natural resources;

(6) although significant natural resources remain in the area, increasing development in the area has threatened the future stability and integrity of the Loess Hills area; and

(7) the Loess Hills area merits further study by the National Park Service, in cooperation with the State of Iowa, local governments, and affected landowners, to determine appropriate means to better protect, preserve, and interpret the significant resources in the area.

(b) PURPOSE.—The purpose of this Act is to authorize the Secretary of the Interior to conduct a *suitability and* feasibility study to determine what measures should be taken to preserve the Loess Hills in western Iowa.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term ''Loess Hills'' means the natural geological formation of soils in the State of Iowa located between Waubansie State Park and Stone Park, and which includes Plymouth, Woodbury, Monona, Harrison, Pottawattamie, Mills, and Fremont counties;

(2) the term ''Secretary'' means the Secretary of the Interior; and

(3) the term ''State'' means the State of Iowa.

SEC. 4. LOESS HILLS STUDY.

(a) The Secretary shall undertake a study of the Loess Hills area to review options for the protection and interpretation of the area's natural, cultural, and historical resources. The study shall include, but need not be limited to, an analysis of the suitability and feasibility of designating the area as—

(1) a unit of the National Park System;

(2) a National Heritage Area or Heritage Corridor; or

(3) such other designation as may be appropriate.

(b) The study shall examine the appropriateness and feasibility of cooperative protection and interpretive efforts between the United States, the State, its political subdivisions, and non-profit groups or other interested parties.

(c) The Secretary shall consult in the preparation of the study with State and local governmental entities, affected landowners, and other interested public and private organizations and individuals.

(d) The study shall be completed within one year after the date funds are made available. No later than 30 days after its completion, the Secretary shall transmit a report of the study, along with any recommendations, to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act *not to exceed* $275,000.

The committee amendments were agreed to.

The bill (S. 776), as amended, was considered read the third time and passed, as follows:

S. 776

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 ''Loess Hills Preservation Study Act of 1999''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Loess Hills encompasses 600,000 acres in western Iowa, having been formed by ancient glaciers and hundreds of centuries of westerly winds blowing soil across the Missouri River, which were then deposited in Iowa;

(2) this area is the largest Loess formation in the United States, and one of the two largest in the world, supporting several species of rare native prairie grasses;

(3) portions of the Loess Hills remain undeveloped and provide an important opportunity to protect and preserve an historic, rare and unique natural resource;

(4) a program to study the Loess Hills can only be successfully implemented with the cooperation and participation of affected local governments and landowners;

(5) in 1986, the Loess Hills area was designated as a National Natural Landmark in recognition of the area's nationally significant natural resources;

(6) although significant natural resources remain in the area, increasing development in the area has threatened the future stability and integrity of the Loess Hills area; and

(7) the Loess Hills area merits further study by the National Park Service, in cooperation with the State of Iowa, local governments, and affected landowners, to determine appropriate means to better protect, preserve, and interpret the significant resources in the area.

(b) PURPOSE.—The purpose of this Act is to authorize the Secretary of the Interior to conduct a suitability and feasibility study to determine what measures should be taken to preserve the Loess Hills in western Iowa.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term ''Loess Hills'' means the natural geological formation of soils in the State of Iowa located between Waubansie State Park and Stone Park, and which includes Plymouth, Woodbury, Monona, Harrison, Pottawattamie, Mills, and Fremont counties;

(2) the term ''Secretary'' means the Secretary of the Interior; and

(3) the term ''State'' means the State of Iowa.

SEC. 4. LOESS HILLS STUDY.

(a) The Secretary shall undertake a study of the Loess Hills area to review options for the protection and interpretation of the area's natural, cultural, and historical resources. The study shall include, but need not be limited to, an analysis of the suitability and feasibility of designating the area as—

(1) a unit of the National Park System;

(2) a National Heritage Area or Heritage Corridor; or

(3) such other designation as may be appropriate.

(b) The study shall examine the appropriateness and feasibility of cooperative protection and interpretive efforts between the United States, the State, its political subdivisions, and non-profit groups or other interested parties.

(c) The Secretary shall consult in the preparation of the study with State and local governmental entities, affected landowners, and other interested public and private organizations and individuals.

(d) The study shall be completed within one year after the date funds are made available. No later than 30 days after its completion, the Secretary shall transmit a report of the study, along with any recommendations, to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act not to exceed $275,000.

BLACK CANYON NATIONAL PARK AND GUNNISON GORGE NATIONAL CONSERVATION AREA ACT OF 1999

The Senate proceeded to consider the bill (S. 323) to redesignate the Black

Canyon of the Gunnison National Monument as a national park and establish the Gunnison Gorge National Conservation Area, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) Black Canyon of the Gunnison National Monument was established for the preservation of its spectacular gorges and additional features of scenic, scientific, and educational interest;

(2) the Black Canyon of the Gunnison and adjacent upland include a variety of unique ecological, geological, scenic, historical, and wildlife components enhanced by the serenity and rural western setting of the area;

(3) the Black Canyon of the Gunnison and adjacent land provide extensive opportunities for educational and recreational activities, and are publicly used for hiking, camping, and fishing, and for wilderness value, including solitude;

(4) adjacent public land downstream of the Black Canyon of the Gunnison National Monument has wilderness value and offers unique geological, paleontological, scientific, educational, and recreational resources;

(5) public land adjacent to the Black Canyon of the Gunnison National Monument contributes to the protection of the wildlife, viewshed, and scenic qualities of the Black Canyon;

(6) some private land adjacent to the Black Canyon of the Gunnison National Monument has exceptional natural and scenic value that would be threatened by future development pressures;

(7) the benefits of designating public and private land surrounding the national monument as a national park include greater long-term protection of the resources and expanded visitor use opportunities; and

(8) land in and adjacent to the Black Canyon of the Gunnison Gorge is—

(A) recognized for offering exceptional multiple use opportunities;

(B) recognized for offering natural, cultural, scenic, wilderness, and recreational resources; and

(C) worthy of additional protection as a national conservation area, and with respect to the Gunnison Gorge itself, as a component of the national wilderness system.

SEC. 3. DEFINITIONS.

In this Act:

(1) CONSERVATION AREA.—The term ''Conservation Area'' means the Gunnison Gorge National Conservation Area, consisting of approximately 57,725 acres surrounding the Gunnison Gorge as depicted on the Map.

(2) MAP.—The term ''Map'' means the map entitled ''Black Canyon of the Gunnison National Park and Gunnison Gorge NCA—1/22/99''. The map shall be on file and available for public inspection in the offices of the Department of the Interior.

(3) PARK.—The term ''Park'' means the Black Canyon of the Gunnison National Park established under section 4 and depicted on the Map.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 4. ESTABLISHMENT OF BLACK CANYON OF THE GUNNISON NATIONAL PARK.

(a) ESTABLISHMENT.—There is hereby established the Black Canyon of the Gunnison National Park in the State of Colorado as generally depicted on the map identified in section 3. The Black Canyon of the Gunnison National Monument is hereby abolished as such, the lands and interests therein are incorporated within and made part of the new Black Canyon of the Gunnison National Park, and any funds available for purposes of the monument shall be available for purposes of the park.

(b) ADMINISTRATION.—Upon enactment of this title, the Secretary shall transfer the lands under the jurisdiction of the Bureau of Land Management which are identified on the map for inclusion in the park to the administrative jurisdiction of the National Park Service. The Secretary shall administer the park in accordance with this Act and laws generally applicable to units of the National Park System, including the Act entitled ''An Act to establish a National Park Service, and for other purposes'', approved August 25, 1916 (16 U.S.C. 1, 2–4), and the Act entitled ''An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes, approved August 21, 1935 (16 U.S.C. 461 et seq.).

(c) MAPS AND LEGAL DESCRIPTION.—As soon as practicable after the date of enactment of this Act, the Secretary shall file maps and a legal description of the park with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives. Such maps and legal description shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in such legals description and maps. The maps and legal description shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) WITHDRAWAL.—Subject to valid existing rights, all Federal lands within the park are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws; from location, entry, and patent under the mining laws; and from disposition under all laws relating to mineral and geothermal leasing, and all amendments thereto.

(e) GRAZING.—(1)(A) Consistent with the requirements of this subsection, including the limitation in paragraph (3), the Secretary shall allow the grazing of livestock within the park to continue where authorized under permits or leases in existence as of the date of enactment of this Act. Grazing shall be at no more than the current level, and subject to applicable laws and National Park Service regulations.

(B) Nothing in this subsection shall be construed as extending grazing privileges for any party or their assignee in any area of the park where, prior to the date of enactment of this Act, such use was scheduled to expire according to the terms of a settlement by the U.S. Claims Court affecting property incorporated into the boundary of the Black Canyon of the Gunnison National Monument.

(C) Nothing in this subsection shall prohibit the Secretary from accepting the voluntary termination of leases or permits for grazing within the park.

(2) Within areas of the park designated as wilderness, the grazing of livestock, where authorized under permits in existence as of the date of enactment of this Act, shall be permitted to continue subject to such reasonable regulations, policies, and practices as the Secretary deems necessary, consistent with this Act, the Wilderness Act, and other applicable laws and National Park Service regulations.

(3) With respect to the grazing permits and leases referenced in this subsection, the Secretary shall allow grazing to continue, subject to periodic renewal, for a period equal to the lifetime of the holder of the grazing permit or lease as of the date of enactment of this Act.

SEC. 5. ACQUISITION OF PROPERTY AND MINOR BOUNDARY ADJUSTMENTS.

(a) ADDITIONAL ACQUISITIONS.—

(1) IN GENERAL.—The Secretary may acquire land or interests in land depicted on the Map as proposed additions.

(2) METHOD OF ACQUISITION.—

(A) IN GENERAL.—Land or interests in land may be acquired by—

(i) donation;

(ii) transfer;

(iii) purchase with donated or appropriated funds; or

(iv) exchange.

(B) CONSENT.—No land or interest in land may be acquired without the consent of the owner of the land.

(b) BOUNDARY REVISION.—After acquiring land for the Park, the Secretary shall—

(1) revise the boundary of the Park to include newly-acquired land within the boundary; and

(2) administer newly-acquired land subject to applicable laws (including regulations).

(c) BOUNDARY SURVEY.—As soon as practicable and subject to the availability of funds the Secretary shall complete an official boundary survey of the Park.

(d) HUNTING ON PRIVATELY OWNED LANDS.—

(1) IN GENERAL.—The Secretary may permit hunting on privately owned land added to the Park under this Act, subject to limitations, conditions, or regulations that may be prescribed by the Secretary.

(2) TERMINATION OF AUTHORITY.—On the date that the Secretary acquires fee ownership of any privately owned land added to the Park under this Act, the authority under paragraph (1) shall terminate with respect to the privately owned land acquired.

SEC. 6. EXPANSION OF THE BLACK CANYON OF THE GUNNISON WILDERNESS.

(a) EXPANSION OF BLACK CANYON OF THE GUNNISON WILDERNESS.—The Black Canyon of the Gunnison Wilderness, as established by subsection (b) of the first section of Public Law 94–567 (90 Stat. 2692), is expanded to include the parcel of land depicted on the Map as ''Tract A'' and consisting of approximately 4,419 acres.

(b) ADMINISTRATION.—The Black Canyon of the Gunnison Wilderness shall be administered as a component of the Park.

SEC. 7. ESTABLISHMENT OF THE GUNNISON GORGE NATIONAL CONSERVATION AREA.

(a) IN GENERAL.—There is established the Gunnison Gorge National Conservation Area, consisting of approximately 57,725 acres as generally depicted on the Map.

(b) MANAGEMENT OF CONSERVATION AREA.—The Secretary, acting through the Director of the Bureau of Land Management, shall manage the Conservation Area to protect the resources of the Conservation Area in accordance with—

(1) this Act;

(2) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); and

(3) other applicable provisions of law.

(c) WITHDRAWAL.—Subject to valid existing rights, all Federal lands within the Conservation Area are hereby withdrawn from all forms of entry, appropriation or disposal under the public land laws; from location, entry, and patent under the mining laws; and from disposition under all laws relating to mineral and geothermal leasing, and all amendments thereto.

(d) HUNTING, TRAPPING AND FISHING.—

(1) IN GENERAL.—The Secretary shall permit hunting, trapping, and fishing within the Conservation Area in accordance with applicable laws (including regulations) of the United States and the State of Colorado.

(2) EXCEPTION.—The Secretary, after consultation with the Colorado Division of Wildlife,

may issue regulations designating zones where and establishing periods when no hunting or trapping shall be permitted for reasons concerning—

(A) public safety;

(B) administration; or

(C) public use and enjoyment.

(e) USE OF MOTORIZED VEHICLES.—In addition to the use of motorized vehicles on established roadways, the use of motorized vehicles in the Conservation Area shall be allowed—

(1) to the extent the use is compatible with off-highway vehicle designations as described in the management plan in effect on the date of enactment of this Act; or

(2) to the extent the use is practicable under a management plan prepared under this Act.

(f) CONSERVATION AREA MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 4 years after the date of enactment of this Act, the Secretary shall—

(A) develop a comprehensive plan for the long-range protection and management of the Conservation Area; and

(B) transmit the plan to—

(i) the Committee on Energy and Natural Resources of the Senate; and

(ii) the Committee on Resources of the House of Representatives.

(2) CONTENTS OF PLAN.—The plan—

(A) shall describe the appropriate uses and management of the Conservation Area in accordance with this Act;

(B) may incorporate appropriate decisions contained in any management or activity plan for the area completed prior to the date of enactment of this Act;

(C) may incorporate appropriate wildlife habitat management plans or other plans prepared for the land within or adjacent to the Conservation Area prior to the date of enactment of this Act;

(D) shall be prepared in close consultation with appropriate Federal, State, county, and local agencies; and

(E) may use information developed prior to the date of enactment of this Act in studies of the land within or adjacent to the Conservation Area.

(g) BOUNDARY REVISIONS.—The Secretary may make revisions to the boundary of the Conservation Area following acquisition of land necessary to accomplish the purposes for which the Conservation Area was designated.

SEC. 8. DESIGNATION OF WILDERNESS WITHIN THE CONSERVATION AREA.

(a) GUNNISON GORGE WILDERNESS.—

(1) IN GENERAL.—Within the Conservation Area, there is designated as wilderness, and as a component of the National Wilderness Preservation System, the Gunnison Gorge Wilderness, consisting of approximately 17,700 acres, as generally depicted on the Map.

(2) ADMINISTRATION.—

(A) WILDERNESS STUDY AREA EXEMPTION.—The approximately 300-acre portion of the wilderness study area depicted on the Map for release from section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782) shall not be subject to section 603(c) of that Act.

(B) INCORPORATION INTO NATIONAL CONSERVATION AREA.—The portion of the wilderness study area described in subparagraph (A) shall be incorporated into the Conservation Area.

(b) ADMINISTRATION.—Subject to valid rights in existence on the date of enactment of this Act, the wilderness areas designated under this Act shall be administered by the Secretary in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.) except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

(c) STATE RESPONSIBILITY.—As provided in section 4(d)(7) of the Wilderness Act (16 U.S.C. 1133(d)(7)), nothing in this Act or in the Wilderness Act shall affect the jurisdiction or responsibilities of the State of Colorado with respect to wildlife and fish on the public land located in that State.

(d) MAPS AND LEGAL DESCRIPTIONS.—As soon as practicable after the date of enactment of this section, the Secretary of the Interior shall file a map and a legal description of the Gunnison Gorge Wilderness with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives. This map and description shall have the same force and effect as if included in this Act. The Secretary of the Interior may correct clerical and typographical errors in the map and legal description. The map and legal description shall be on file and available in the office of the Director of the BLM.

SEC. 9. WITHDRAWAL.

Subject to valid existing rights, the Federal lands identified on the Map as ''BLM Withdrawal (Tract B)'' (comprising approximately 1,154 acres) are hereby withdrawn from all forms of entry, appropriation or disposal under the public land laws; from location, entry, and patent under the mining laws; and from disposition under all laws relating to mineral and geothermal leasing, and all amendments thereto.

SEC. 10. WATER RIGHTS.

(a) EFFECT ON WATER RIGHTS.—Nothing in this Act shall—

(1) constitute an express or implied reservation of water for any purpose; or

(2) affect any water rights in existence prior to the date of enactment of this Act, including any water rights held by the United States.

(b) ADDITIONAL WATER RIGHTS.—Any new water right that the Secretary determines is necessary for the purposes of this Act shall be established in accordance with the procedural and substantive requirements of the laws of the State of Colorado.

SEC. 11. STUDY OF LANDS WITHIN AND ADJACENT TO CURECANTI NATIONAL RECREATION AREA.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary, acting through the Director of the National Park Service, shall conduct a study concerning land protection and open space within and adjacent to the area administered as the Curecanti National Recreation Area.

(b) PURPOSE OF STUDY.—The study required to be completed under subsection (a) shall—

(1) assess the natural, cultural, recreational and scenic resource value and character of the land within and surrounding the Curecanti National Recreation Area (including open vistas, wildlife habitat, and other public benefits);

(2) identify practicable alternatives that protect the resource value and character of the land within and surrounding the Curecanti National Recreation Area;

(3) recommend a variety of economically feasible and viable tools to achieve the purposes described in paragraphs (1) and (2); and

(4) estimate the costs of implementing the approaches recommended by the study.

(c) SUBMISSION OF REPORT.—Not later than 3 years from the date of enactment of this Act, the Secretary shall submit a report to Congress that—

(1) contains the findings of the study required by subsection (a);

(2) makes recommendations to Congress with respect to the findings of the study required by subsection (a); and

(3) makes recommendations to Congress regarding action that may be taken with respect to the land described in the report.

(d) ACQUISITION OF ADDITIONAL LAND AND INTERESTS IN LAND.—

(1) IN GENERAL.—Prior to the completion of the study required by subsection (a), the Secretary may acquire certain private land or interests in land as depicted on the Map entitled 'Proposed Additions to the Curecanti National Recreation Area,' dated 01/25/99, totaling approximately 1,065 acres and entitled 'Hall and Fitti properties'.

(2) METHOD OF ACQUISITION.—

(A) IN GENERAL.—Land or an interest in land under paragraph (1) may be acquired by—

(i) donation;

(ii) purchase with donated or appropriated funds; or

(iii) exchange.

(B) CONSENT.—No land or interest in land may be acquired without the consent of the owner of the land.

(C) BOUNDARY REVISIONS FOLLOWING ACQUISITION.—Following the acquisition of land under paragraph (1), the Secretary shall—

(i) revise the boundary of the Curecanti National Recreation Area to include newly-acquired land; and

(ii) administer newly-acquired land according to applicable laws (including regulations).

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

The committee amendment was agreed to.

The bill (S. 323), as amended, was considered; read the third time and passed.

DESCHUTES RESOURCES CONSERVANCY REAUTHORIZATION ACT OF 1999

A bill (S. 1027) to reauthorize the participation of the Bureau of Reclamation in the Deschutes Resources Conservancy, and for other purposes.

The bill (S. 1027) was considered; read the third time and passed, as follows:

S. 1027

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 ''Deschutes Resources Conservancy Reauthorization Act of 1999''.

SEC. 2. EXTENSION OF PARTICIPATION OF BUREAU OF RECLAMATION IN DESCHUTES RESOURCES CONSERVANCY.

Section 301 of the Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208; 110 Stat. 3009–534) is amended—

(1) in subsection (b)(3), by inserting before the period at the end the following: '', and up to a total amount of $2,000,000 during each of fiscal years 2002 through 2006''; and

(2) in subsection (h), by inserting before the period at the end the following: ''and $2,000,000 for each of fiscal years 2002 through 2006''.

NATIONAL ISLAMIC FRONT GOVERNMENT IN SUDAN

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of calendar No. 184, S. Res. 109.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 109) relating to the activities of the National Islamic Front government in Sudan.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. I ask unanimous consent that the committee amendments be agreed to, the resolution, as amended, be agreed to, the committee amendment to the preamble be agreed to, and the preamble, as amended, be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

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

The committee amendments were agreed to.

The resolution (S. Res. 109), as amended, was agreed to.

The committee amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

(The resolution will be printed in a future edition of the RECORD.)

EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO UNITED NATIONS GENERAL ASSEMBLY RESOLUTION ES–10/6

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of calendar No. 185, S. Res. 119.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 119) expressing the sense of the Senate with respect to United Nations General Assembly Resolution ES–10/6.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

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

The resolution (S. Res. 119) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 119

Whereas in an Emergency Special Session, the United Nations General Assembly voted on February 9, 1999, to pass Resolution ES–10/6, ''Illegal Israeli Actions In Occupied East Jerusalem And The Rest Of The Occupied Palestinian Territory'', to convene for the first time in 50 years the parties of the Fourth Geneva Conference for the Protection of Civilians in Time of War;

Whereas such resolution unfairly places full blame for the deterioration of the Middle East Peace Process on Israel and dangerously politicizes the Geneva Convention, which was established to deal with critical humanitarian crises; and

Whereas such vote is intended to prejudge direct negotiations, put additional and undue pressure on Israel to influence the results of those negotiations, and single out Israel for unprecedented enforcement proceedings which have never been invoked against governments with records of massive violations of the Geneva Convention: Now, therefore, be it

Resolved, That the Senate—

(1) commends the Department of State for the vote of the United States against United Nations General Assembly Resolution ES–10/6 affirming that the text of such resolution politicizes the Fourth Geneva Convention which was primarily humanitarian in nature;

(2) urges the Department of State to continue its efforts against convening the conference; and

(3) urges the Swiss government, as the depositary of the Geneva Convention, not to convene a meeting of the Fourth Geneva Convention.

CONDEMNING PALESTINIAN EFFORTS TO REVIVE THE ORIGINAL PALESTINE PARTITION PLAN

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of calendar No. 186, S. Con. Res. 36.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 36) condemning Palestinian efforts to revive the original Palestine partition plan of November 29, 1947, and condemning the United Nations Commission on Human Rights for its April 27, 1999, resolution endorsing Palestinian self-determination on the basis of the original Palestine partition plan.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GORTON. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed at the appropriate place in the RECORD.

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

The resolution (S. Con. Res. 36) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. CON. RES. 36

Whereas United Nations General Assembly Resolution 181, which called for the partition of the British-ruled Palestine Mandate into a Jewish state and an Arab state, was declared null and void on November 29, 1947, by the Arab states and the Palestinians, who included the rejection of Resolution 181 as a formal justification for the May, 1948, invasion of the newly declared State of Israel by the armies of five Arab states;

Whereas the armistice agreements between Israel and Egypt, Lebanon, Syria, and Transjordan in 1949 made no mention of United Nations General Assembly Resolution 181, and the United Nations Security Council made no reference to United Nations General Assembly Resolution 181 in its Resolution 73 of August 11, 1949, which endorsed the armistice;

Whereas in 1967 and 1973 the United Nations adopted Security Council Resolutions 242 and 338, respectively, which call for the withdrawal of Israel from territory occupied in 1967 and 1973 in exchange for the creation of secure and recognized boundaries for Israel and for political recognition of Israel's sovereignty;

Whereas Security Council Resolutions 242 and 338 have served as the framework for all negotiations between Israel, Palestinian representatives, and Arab states for 30 years, including the 1991 Madrid Peace Conference and the ongoing Oslo peace process, and serve as the agreed basis for impending Final Status Negotiations;

Whereas senior Palestinian officials have recently resurrected United Nations General Assembly Resolution 181 through official statements and a March 25, 1999, letter from the Palestine Liberation Organization Permanent Observer to the United Nations Secretary-General contending that the State of Israel must withdraw to the borders outlined in United Nations General Assembly Resolution 181, and accept Jerusalem as a ''corpus separatum'' to be placed under United Nations control as outlined in United Nations General Assembly Resolution 181; and

Whereas in its April 27, 1999, resolution, the United Nations Commission on Human Rights asserted that Israeli-Palestinian peace negotiations be based on United Nations General Assembly Resolution 181: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) condemns Palestinian efforts to circumvent United Nations Security Council Resolutions 242 and 338, as well as violate the Oslo peace process, by attempting to revive United Nations General Assembly Resolution 181, thereby placing the entire Israeli-Palestinian peace process at risk;

(2) condemns the United Nations Commission on Human Rights for voting to formally endorse United Nations General Assembly Resolution 181 as the basis for the future of Palestinian self-determination;

(3) reiterates that any just and final peace agreement regarding the final status of the territory controlled by the Palestinians can only be determined through direct negotiations and agreement between the State of Israel and the Palestinian Liberation Organization;

(4) reiterates its continued unequivocal support for the security and well-being of the State of Israel, and of the Oslo peace process based on United Nations Security Council Resolutions 242 and 338; and

(5) calls for the President of the United States to declare that—

(A) it is the policy of the United States that United Nations General Assembly Resolution 181 of 1947 is null and void;

(B) all negotiations between Israel and the Palestinians must be based on United Nations Security Council Resolutions 242 and 338; and

(C) the United States regards any attempt by the Palestinians, the United Nations, or any entity to resurrect United Nations General Assembly Resolution 181 as a basis for negotiations, or for any international decision, as an attempt to sabotage the prospects for a successful peace agreement in the Middle East.

CONGRATULATING THE STATE OF QATAR

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of Calendar No. 188, H. Con. Res. 35.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 35) congratulating the State of Qatar and its citizens for their commitment to democratic ideals and women's suffrage on the occasion of Qatar's historic elections of a central municipal council on March 8, 1999.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

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

The resolution (H. Con. Res. 35) was agreed to.

The preamble was agreed to.

DIGITAL THEFT DETERRENCE AND COPYRIGHT DAMAGES IMPROVEMENT ACT OF 1999

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 193, S. 1257.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1257) to amend statutory damages provisions of title 17, United States Code.

There being no objection, the Senate proceeded to consider the bill.

Mr. HATCH. Mr. President, today the Senate is considering four very important intellectual property related ''high-tech'' bills that Senator LEAHY and I have introduced to promote the continued growth of vital sectors of the American economy and to protect the interests and investment of the entrepreneurs, authors, and innovators who fuel their growth. These bills were reported by unanimous consent earlier today by the Judiciary Committee.

Technology is the driving force in the American economy today, and American technology is setting new standards for the global economy, from semiconductor chip technology, to computer software, Internet and telecommunications technology, to leading pharmaceutical and genetic research. In my own state of Utah, these information technology industries contribute in excess of $7 billion each year to the State's economy and pay wages that average 66 percent higher than the state average. Their performance has placed Utah among the world's top ten technology centers according to Newsweek Magazine. Similar success is seen in areas across the country, with the U.S. being home to seven of the world's top ten technology centers and with American creative industries now surpassing all other export sectors in foreign sales and exports.

Underlying all of these technologies are the intellectual property rights that serve to promote creativity and innovation by safeguarding the investment, effort, and goodwill of those who venture into these fast-placed and volatile fields. Strong intellectual property protections are particularly critical in the global high-tech environment where electronic piracy is so easy, so cheap, and yet so potentially devastating to intellectual property owners—many of which are small entrepreneurial enterprises. In Utah, 65 percent of these companies have fewer than 25 employees, and a majority have annual revenues of less than $1 million. Intellectual property is the lifeblood of these companies, and even a single instance of piracy could drive them out of business. What's more, without adequate international protection, these companies would simply be unable to compete in the global marketplace.

That is why we enacted a number of measures last year to provide enhanced protection for intellectual property in the new global, high-tech environment. For example, the Digital Millennium Copyright Act (DMCA) implemented two new World Intellectual Property Organization Treaties setting new global standards for copyright protection in the digital environment. We also paved the way for new growth in online commerce by providing a copyright framework in which the Internet and other new technologies can flourish.

This year, Senator LEAHY and I are continuing to focus our attention on important high-tech and intellectual property legislation. The bills we are considering today will build upon existing protections, including last year's measures to deter digital piracy, by raising the Copyright Act's limit on statutory damages to make it more costly to engage in cyber-piracy and copyright theft. They will also make technical ''clean-up'' amendments to the DMCA and other Copyright Act provisions to make them clearer and more user-friendly. On the trademark side, these bills will make the protection of famous marks easier and more efficient and provide recourse for trademark owners against the federal government for trademark infringement. Finally, these bills will allow the Patent and Trademark Office to better serve its customers—America's innovators and trademark owners—through the collection and retention of fees.

Each of these bills is noncontroversial and enjoys widespread support. I want to thank Senator LEAHY for his assistance, cooperation, and leadership in this process, and I look forward to the Senate swiftly passing these bills today.

Mr. GORTON. I ask unanimous consent that the bill be considered read a third time and passed and the motion to reconsider be laid upon the table.

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

The bill (S. 1257) was considered read the third time and passed, as follows:

S. 1257

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 ''Digital Theft Deterrence and Copyright Damages Improvement Act of 1999''.

SEC. 2. STATUTORY DAMAGES ENHANCEMENT.

Section 504(c) of title 17, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''$500'' and inserting ''$750''; and

(B) by striking ''$20,000'' and inserting ''$30,000''; and

(2) in paragraph (2)—

(A) by inserting ''(A)'' after ''(2)'';

(B) by striking ''$100,000'' and inserting ''$150,000'';

(C) by inserting after the second sentence the following:

''(B) In a case where the copyright owner demonstrates that the infringement was part of a repeated pattern or practice of willful infringement, the court may increase the award of statutory damages to a sum of not more than $250,000 per work.''; and

(D) by striking ''The court shall remit statutory damages'' and inserting the following:

''(C) The court shall remit statutory damages''.

PATENT FEE INTEGRITY AND INNOVATION PROTECTION ACT OF 1999

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 193, S. 1258.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1258) to authorize funds for the payment of salaries and expenses of the Patent and Trademark Office, and for other purposes.

There being no objection, Senate proceeded to consider the bill.

Mr. GORTON. I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 1258) was considered read the third time and passed, as follows:

S. 1258

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 ''Patent Fee Integrity and Innovation Protection Act of 1999''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be made available for the payment of salaries and necessary expenses of the Patent and Trademark Office in fiscal year 2000, $116,000,000 from fees collected in fiscal year 1999 and such fees as are collected in fiscal year 2000 pursuant to title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 et seq.), except that the Commissioner is not authorized to charge and collect fees to cover the accrued indirect personnel costs associated with post-retirement health and life insurance of officers and employees of the Patent and Trademark Office other than those charged and collected pursuant to title 35, United States Code, and the Trademark Act of 1946.

SEC. 3. EFFECTIVE DATE.

This Act shall take effect on October 1, 1999.

TRADEMARK AMENDMENTS ACT OF 1999

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 195, S. 1259.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1259) to amend the Trademark Act of 1946 relating to the dilution of famous marks, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 1259) was considered read the third time and passed, as follows:

S. 1259

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 ''Trademark Amendments Act of 1999''.

SEC. 2. DILUTION AS A GROUNDS FOR OPPOSITION AND CANCELLATION.

(a) REGISTRABLE MARKS.—Section 2 of the Act entitled ''An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes'' (in this Act referred to as the ''Trademark Act of 1946'') (15 U.S.C. 1052) is amended by adding at the end the following flush sentences: ''A mark which when used would cause dilution under section 43(c) may be refused registration only pursuant to a proceeding brought under section 13. A registration for a mark which when used would cause dilution under section 43(c) may be canceled pursuant to a proceeding brought under either section 14 or section 24.''.

(b) OPPOSITION.—Section 13(a) of the Trademark Act of 1946 (15 U.S.C. 1063(a)) is amended in the first sentence by inserting '', including as a result of dilution under section 43(c),'' after ''principal register''.

(c) PETITIONS TO CANCEL REGISTRATIONS.—Section 14 of the Trademark Act of 1946 (15 U.S.C. 1064) is amended in the matter preceding paragraph (1) by inserting '', including as a result of dilution under section 43(c),'' after ''damaged''.

(d) CANCELLATION.—Section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended in the second sentence by inserting '', including as a result of dilution under section 43(c),'' after ''register''.

(e) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply only to any application for registration filed on or after January 16, 1996.

SEC. 3. REMEDIES IN CASES OF DILUTION OF FAMOUS MARKS.

(a) INJUNCTIONS.—(1) Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is amended in the first sentence by striking ''section 43(a)'' and inserting ''subsection (a) or (c) of section 43''.

(2) Section 43(c)(2) of the Trademark Act of 1946 (15 U.S.C. 1125(c)(2)) is amended in the first sentence by inserting ''as set forth in section 34'' after ''relief''.

(b) DAMAGES.—Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended in the first sentence by striking ''or a violation under section 43(a),'' and inserting ''a violation under section 43(a), or a willful violation under section 43(c),''.

(c) DESTRUCTION OF ARTICLES.—Section 36 of the Trademark Act of 1946 (15 U.S.C. 1118) is amended in the first sentence—

(1) by striking ''or a violation under section 43(a),'' and inserting ''a violation under section 43(a), or a willful violation under section 43(c),''; and

(2) by inserting after ''in the case of a violation of section 43(a)'' the following: ''or a willful violation under section 43(c)''.

(d) EFFECTIVE DATE AND APPLICATION.—The amendments made by this section shall take effect on the date of enactment of this Act and shall not apply to any civil action pending on such date of enactment.

SEC. 4. LIABILITY OF GOVERNMENTS FOR TRADEMARK INFRINGEMENT AND DILUTION.

(a) CIVIL ACTIONS.—Section 32 of the Trademark Act of 1946 (15 U.S.C. 1114) is amended in the last undesignated paragraph in paragraph (1)—

(1) in the first sentence by inserting after ''includes'' the following: ''the United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, or other persons acting for the United States and with the authorization and consent of the United States, and''; and

(2) in the second sentence by striking ''Any'' and inserting ''The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, and any''.

(b) WAIVER OF SOVEREIGN IMMUNITY.—Section 40 of the Trademark Act of 1946 (15 U.S.C. 1122) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking ''SEC. 40. (a) Any State'' and inserting the following:

''SEC. 40. (a) WAIVER OF SOVEREIGN IMMUNITY BY THE UNITED STATES.—The United States, all agencies and instrumentalities thereof, and all individuals, firms, corporations, other persons acting for the United States and with the authorization and consent of the United States, shall not be immune from suit in Federal or State court by any person, including any governmental or nongovernmental entity, for any violation under this Act.

''(b) WAIVER OF SOVEREIGN IMMUNITY BY STATES.—Any State''; and

(3) in the first sentence of subsection (c), as so redesignated—

(A) by striking ''subsection (a) for a violation described in that subsection'' and inserting ''subsection (a) or (b) for a violation described therein''; and

(B) by inserting after ''other than'' the following: ''the United States or any agency or instrumentality thereof, or any individual, firm, corporation, or other person acting for the United States and with authorization and consent of the United States, or''.

(c) DEFINITION.—Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by inserting between the 2 paragraphs relating to the definition of ''person'' the following:

''The term 'person' also includes the United States, any agency or instrumentality thereof, or any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States. The United States, any agency or instrumentality thereof, and any individual, firm, or corporation acting for the United States and with the authorization and consent of the United States, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity.''.

SEC. 5. CIVIL ACTIONS FOR TRADE DRESS INFRINGEMENT.

Section 43(a) of the Trademark Act of 1946 (15 U.S.C. 1125(a)) is amended by adding at the end the following:

''(3) In a civil action for trade dress infringement under this Act for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.''.

SEC. 6. TECHNICAL AMENDMENTS.

(a) ASSIGNMENT OF MARKS.—Section 10 of the Trademark Act of 1946 (15 U.S.C. 1060) is amended—

(1) by striking ''subsequent purchase'' in the second to last sentence and inserting ''assignment'';

(2) in the first sentence by striking ''mark,'' and inserting ''mark.''; and

(3) in the third sentence by striking the second period at the end.

(b) ADDITIONAL CLERICAL AMENDMENTS.—The text and title of the Trademark Act of 1946 are amended by striking ''trade-marks'' each place it appears and inserting ''trademarks''.

TECHNICAL CORRECTIONS IN TITLE 17, UNITED STATES CODE

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 196, (S. 1260).

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1260) to make technical corrections in title 17, United States Code, and other laws.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (S. 1260) was considered read the third time and passed, as follows:

S. 1260

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

SECTION 1. TECHNICAL CORRECTIONS TO TITLE 17, UNITED STATES CODE.

(a) EXEMPTION OF CERTAIN PERFORMANCES AND DISPLAYS ON EXCLUSIVE RIGHTS.—Section 110(5) of title 17, United States Code, is amended—

(1) by striking ''(A) a direct charge'' and inserting ''(i) a direct charge''; and

(2) by striking ''(B) the transmission'' and inserting ''(ii) the transmission''.

(b) EPHEMERAL RECORDINGS.—Section 112(e) of title 17, United States Code, is amended—

(1) by redesignating paragraphs (3) through (10) as paragraphs (2) through (9), respectively;

(2) in paragraph (3), as so redesignated, by striking ''(2)'' and inserting ''(1)'';

(3) in paragraph (4), as so redesignated—

(A) by striking ''(3)'' and inserting ''(2)'';

(B) by striking ''(4)'' and inserting ''(3)'';

(C) by striking ''(6)'' and inserting ''(5)''; and

(D) by striking ''(3) and (4)'' and inserting ''(2) and (3)''; and

(4) in paragraph (6), as so redesignated—

(A) by striking ''(4)'' each place it appears and inserting ''(3)''; and

(B) by striking ''(5)'' each place it appears and inserting ''(4)''.

(c) DETERMINATION OF REASONABLE LICENSE FEES FOR INDIVIDUAL PROPRIETORS.—Chapter 5 of title 17, United States Code, is amended—

(1) by redesignating the section 512 entitled ''**Determination of reasonable license fees for individual proprietors**'' as section 513 and placing such section after the section 512 entitled ''**Limitations on liability relating to material online**''; and

(2) in the table of sections at the beginning of that chapter by striking

''512. Determination of reasonable license fees for individual proprietors.''

and inserting

''513. Determination of reasonable license fees for individual proprietors.''

and placing that item after the item entitled

''512. Limitations on liability relating to material online.''.

(d) ONLINE COPYRIGHT INFRINGEMENT LIABILITY.—Section 512 of title 17, United States Code, is amended—

(1) in subsection (e)—

(A) by amending the caption to read as follows:

''(e) LIMITATION ON LIABILITY OF NONPROFIT EDUCATIONAL INSTITUTIONS.—''; and

(B) in paragraph (2), by striking ''INJUNCTIONS.—''; and

(2) in paragraph (3) of subsection (j), by amending the caption to read as follows:

''(3) NOTICE AND EX PARTE ORDERS.—''.

(e) INTEGRITY OF COPYRIGHT MANAGEMENT INFORMATION.—Section 1202(e)(2)(B) of title 17, United States Code, is amended by striking ''category or works'' and inserting ''category of works''.

(f) PROTECTION OF DESIGNS.—(1) Section 1302(5) of title 17, United States Code, is amended by striking ''1 year'' and inserting ''2 years''.

(2) Section 1320(c) of title 17, United States Code, is amended in the subsection caption by striking ''ACKNOWLEDGEMENT'' and inserting ''ACKNOWLEDGMENT''.

(g) MISCELLANEOUS CLERICAL AMENDMENTS.—

(1) Section 101 of title 17, United States Code, is amended—

(A) by transferring and inserting the definition of ''United States work'' after the definition of ''United States''; and

(B) in the definition of ''proprietor'', by striking ''A 'proprietor' '' and inserting ''For purposes of section 513, a 'proprietor' ''.

(2) Section 106 of title 17, United States Code, is amended by striking ''120'' and inserting ''121''.

(3) Section 118(e) of title 17, United States Code, is amended—

(A) by striking ''subsection (b).'' and all that follows through ''Owners'' and inserting ''subsection (b). Owners''; and

(B) by striking paragraph (2).

(4) Section 119(a)(8)(C)(ii) of title 17, United States Code, is amended by striking ''network's station'' and inserting ''network station's''.

(5) Section 501(a) of title 17, United States Code, is amended by striking ''118'' and inserting ''121''.

(6) Section 511(a) of title 17, United States Code, is amended by striking ''119'' and inserting ''121''.

SEC. 2. OTHER TECHNICAL CORRECTIONS.

(a) CLERICAL AMENDMENT TO TITLE 28, U.S.C.—The section heading for section 1400 of title 28, United States Code, is amended to read as follows:

''§ 1400. Patents and copyrights, mask works, and designs''.

(b) ELIMINATION OF CONFLICTING PROVISION.—Section 5316 of title 5, United States Code, is amended by striking ''Commissioner of Patents, Department of Commerce.''.

(c) CLERICAL CORRECTION TO TITLE 35, U.S.C.—Section 3(d) of title 35, United States Code, is amended by striking '', United States Code''.

DESIGNATING JULY 2, 1999 AND JULY 2, 2000, AS ''NATIONAL LITERACY DAY''

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 197, S. Res. 59.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 59) designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day''.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The resolution (S. Res. 59) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES 59

Whereas 44,000,000 people living in the United States read at a level lower than is required to fully function in society and to earn a living wage;

Whereas approximately 22 percent of adults in the United States cannot read, leaving valuable resources untapped, and depriving those adults of the opportunity to make a meaningful contribution to society;

Whereas people who have the lowest literacy skills are closely connected to social problems such as poverty, crime, welfare, and unemployment.

Whereas 43 percent of all adults functioning at the lowest literacy levels live in poverty;

Whereas prisons hold the highest concentration of illiterate adults, with 7 of 10 prisoners functioning at the lowest literacy levels;

Whereas the likelihood of receiving welfare assistance increases as the level of literacy decreases;

Whereas 3 of 4 food stamp recipients function at the lowest literacy levels;

Whereas millions of Americans are unable to hold a job or fully function in the workplace because they cannot read well enough to perform routine uncomplicated tasks;

Whereas almost 38 percent of African Americans and approximately 56 percent of Hispanics are illiterate, compared to only 14 percent of the Caucasian population, with such a disparity resulting in increased social and economic discrimination against those minorities;

Whereas 35 percent of older Americans operate at the lowest literacy levels, making it difficult to read basic medical instructions, thus prolonging illnesses and risking the occurrence of emergency medical conditions;

Whereas the cycle of illiteracy continues because children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have been able to reach fewer than 10 percent of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the illiteracy problem and the detrimental effects of illiteracy on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is necessary to recognize and thank the thousands of volunteers and organizations, like Focus on Literacy, Inc., that work to promote literacy and provide support to the millions of illiterate persons needing assistance: Now, therefore, be it

Resolved, That the Senate—

(1) designates both July 2, 1999, and July 2, 2000, as ''National Literacy Day''; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe ''National Literacy Day'' with appropriate ceremonies and activities.

RELIEF FOR GLOBAL EXPLORATION AND DEVELOPMENT CORPORATION, KERR-MCGEE CORPORATION, AND KERR-MCGEE CHEMICAL, LLC

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 144, S. 606.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 606) for the relief of Global Exploration and Development Corporation, Kerr-

McGee Corporation, and Kerr-McGee Chemical, LLC (successor to Kerr-McGee Chemical Corporation), and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment as follows:

(The part of the bill intended to be inserted is shown in italic.)

S. 606

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

SECTION 1. SATISFACTION OF CLAIMS AGAINST THE UNITED STATES.

(a) PAYMENT OF CLAIMS.—The Secretary of the Treasury shall pay, out of money not otherwise appropriated—

(1) to the Global Exploration and Development Corporation, a Florida corporation incorporated in Delaware, $9,500,000;

(2) to Kerr-McGee Corporation, an Oklahoma corporation incorporated in Delaware, $10,000,000; and

(3) to Kerr-McGee Chemical, LLC, a limited liability company organized under the laws of Delaware, $0.

(b) CONDITION OF PAYMENT.—

(1) GLOBAL EXPLORATION AND DEVELOPMENT CORPORATION.—The payment authorized by subsection (a)(1) is in settlement and compromise of all claims of Global Exploration and Development Corporation, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

(2) KERR-MCGEE CORPORATION AND KERR-MCGEE CHEMICAL, LLC.—The payment authorized by subsections (a)(2) and (a)(3) are in settlement and compromise of all claims of Kerr-McGee Corporation and Kerr-McGee Chemical, LLC, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

SEC. 2. CRIMINAL PROHIBITION ON THE DISTRIBUTION OF CERTAIN INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following:

''(p) DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'destructive device' has the same meaning as in section 921(a)(4);

''(B) the term 'explosive' has the same meaning as in section 844(j); and

''(C) the term 'weapon of mass destruction' has the same meaning as in section 2332a(c)(2).

''(2) PROHIBITION.—It shall be unlawful for any person—

''(A) to teach or demonstrate the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute by any means information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime of violence; or

''(B) to teach or demonstrate to any person the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime of violence.''.

(b) PENALTIES.—Section 844 of title 18, United States Code, is amended—

(1) in subsection (a), by striking ''person who violates any of subsections'' and inserting the following: ''person who—

''(1) violates any of subsections'';

(2) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(2) violates subsection (p)(2) of section 842, shall be fined under this title, imprisoned not more than 20 years, or both.''; and

(4) in subsection (j), by striking ''and (i)'' and inserting ''(i), and (p)''.

SEC.____. SETTLEMENT OF CLAIMS OF MENOMINEE INDIAN TRIBE OF WISCONSIN.

(a) PAYMENT.—The Secretary of the Treasury shall pay to the Menominee Indian Tribe of Wisconsin, out of any funds in the Treasury of the United States not otherwise appropriated, $32,052,547 for damages sustained by the Menominee Indian Tribe of Wisconsin by reason of—

(1) the enactment and implementation of the Act entitled ''An Act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction'', approved June 17, 1954 (68 Stat. 250 et seq., chapter 303); and

(2) the mismanagement by the United States of assets of the Menominee Indian Tribe held in trust by the United States before April 30, 1961, the effective date of termination of Federal supervision of the Menominee Indian Tribe of Wisconsin.

(b) EFFECT OF PAYMENT.—Payment of the amount referred to in subsection (a) shall be in full satisfaction of any claims that the Menominee Indian Tribe of Wisconsin may have against the United States with respect to the damages referred to in that subsection.

(c) REQUIREMENTS FOR PAYMENT.—The payment to the Menominee Indian Tribe of Wisconsin under subsection (a) shall—

(1) have the status of a judgment of the United States Court of Federal Claims for the purposes of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.); and

(2) be made in accordance with the requirements of that Act on the condition that, of the amounts remaining after payment of attorney fees and litigation expenses—

(A) at least 30 percent shall be distributed on a per capita basis; and

(B) the balance shall be set aside and programmed to serve tribal needs, including funding for—

(i) educational, economic development, and health care programs; and

(ii) such other programs as the circumstances of the Menominee Indian Tribe of Wisconsin may justify.

Mr. FEINGOLD. Mr. President, I rise in support of the amendment to S. 606, a bill for the Relief of Global Exploration and Development Corporation, Kerr-McGee and Kerr-McGee Chemical, offered by my colleague from Wisconsin, Senator KOHL. In 1954, Congress enacted ''termination'' legislation eliminating the Menominee Indian Tribe of Wisconsin's federal trust status. At that time, the Menominee Tribe was ill-prepared to function outside of the federal trust system. The Tribe's lack of readiness became quickly apparent when, upon termination, the Tribe was plunged into years of severe impoverishment and community turmoil. Today, with this amendment, we seek to provide redress for some of that severe turmoil, and the mismanagement of tribal resources in the period following the enactment of termination legislation.

I am pleased that this issue is finally being resolved, in part. This Menominee Settlement claim has been an active issue throughout my tenure in the Senate. In the five years since the original legislative reference was referred by the Senate to the Court of Claims, the tribe and the federal government have engaged in extensive litigation and negotiation. Following documentation and negotiations by both sides, the United States, represented by the Department of Justice, and the Menominee Indian Tribe of Wisconsin agreed upon a settlement of the claims of the Tribe for a sum of $32,052,547, subject to passage of the necessary legislation by Congress. This amendment will legislatively complete that settlement.

This settlement cannot undo the suffering of the Menominee people. The reservation, the boundaries of which are entirely co-terminous with the boundaries of Menominee County, is acknowledged to be still experiencing some of the most significant levels of poverty and economic dislocation in my entire state. The compensation for the lack of management of forestry and other reservation resources provided in this settlement, though it cannot undo the past, can help the Menominee Nation to seek a bright future. I know the Menominee Nation looks forward to assisting its people and the surrounding communities through the use of these funds.

In conclusion, I also want to acknowledge the leadership of my colleague from Wisconsin on this issue. He has taken on significant responsibility in seeking to right this wrong and I commend him for it. Thank you.

Mr. GORTON. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The committee amendment was agreed to.

The bill (S. 606), as amended, was considered read the third time, and passed.

S. 606

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

SECTION 1. SATISFACTION OF CLAIMS AGAINST THE UNITED STATES.

(a) PAYMENT OF CLAIMS.—The Secretary of the Treasury shall pay, out of money not otherwise appropriated—

(1) to the Global Exploration and Development Corporation, a Florida corporation incorporated in Delaware, $9,500,000;

(2) to Kerr-McGee Corporation, an Oklahoma corporation incorporated in Delaware, $10,000,000; and

(3) to Kerr-McGee Chemical, LLC, a limited liability company organized under the laws of Delaware, $0.

(b) CONDITION OF PAYMENT.—

(1) GLOBAL EXPLORATION AND DEVELOPMENT CORPORATION.—The payment authorized by subsection (a)(1) is in settlement and compromise of all claims of Global Exploration and Development Corporation, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

(2) KERR-MCGEE CORPORATION AND KERR-MCGEE CHEMICAL, LLC.—The payment authorized by subsections (a)(2) and (a)(3) are in settlement and compromise of all claims of Kerr-McGee Corporation and Kerr-McGee Chemical, LLC, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

SEC. 2. CRIMINAL PROHIBITION ON THE DISTRIBUTION OF CERTAIN INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following:

''(p) DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'destructive device' has the same meaning as in section 921(a)(4);

''(B) the term 'explosive' has the same meaning as in section 844(j); and

''(C) the term 'weapon of mass destruction' has the same meaning as in section 2332a(c)(2).

''(2) PROHIBITION.—It shall be unlawful for any person—

''(A) to teach or demonstrate the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute by any means information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime of violence; or

''(B) to teach or demonstrate to any person the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime of violence.''.

(b) PENALTIES.—Section 844 of title 18, United States Code, is amended—

(1) in subsection (a), by striking ''person who violates any of subsections'' and inserting the following: ''person who—

''(1) violates any of subsections'';

(2) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(2) violates subsection (p)(2) of section 842, shall be fined under this title, imprisoned not more than 20 years, or both.''; and

(4) in subsection (j), by striking ''and (i)'' and inserting ''(i), and (p)''.

SEC. 3. SETTLEMENT OF CLAIMS OF MENOMINEE INDIAN TRIBE OF WISCONSIN.

(a) PAYMENT.—The Secretary of the Treasury shall pay to the Menominee Indian Tribe of Wisconsin, out of any funds in the Treasury of the United States not otherwise appropriated, $32,052,547 for damages sustained by the Menominee Indian Tribe of Wisconsin by reason of—

(1) the enactment and implementation of the Act entitled ''An Act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction'', approved June 17, 1954 (68 Stat. 250 et seq., chapter 303); and

(2) the mismanagement by the United States of assets of the Menominee Indian Tribe held in trust by the United States before April 30, 1961, the effective date of termination of Federal supervision of the Menominee Indian Tribe of Wisconsin.

(b) EFFECT OF PAYMENT.—Payment of the amount referred to in subsection (a) shall be in full satisfaction of any claims that the Menominee Indian Tribe of Wisconsin may have against the United States with respect to the damages referred to in that subsection.

(c) REQUIREMENTS FOR PAYMENT.—The payment to the Menominee Indian Tribe of Wisconsin under subsection (a) shall—

(1) have the status of a judgment of the United States Court of Federal Claims for the purposes of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.); and

(2) be made in accordance with the requirements of that Act on the condition that, of the amounts remaining after payment of attorney fees and litigation expenses—

(A) at least 30 percent shall be distributed on a per capita basis; and

(B) the balance shall be set aside and programmed to serve tribal needs, including funding for—

(i) educational, economic development, and health care programs; and

(ii) such other programs as the circumstances of the Menominee Indian Tribe of Wisconsin may justify.

MILITARY AND EXTRATERRITORIAL JURISDICTION ACT OF 1999

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 167, S. 768.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 768) to establish court-martial jurisdiction over civilians serving in the Armed Forces during contingency operations, and to establish Federal jurisdiction over crimes committed outside of the United States by former members of the Armed Forces and civilians accompanying the Armed Forces outside the United States.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military and Extraterritorial Jurisdiction Act of 1999''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Civilian employees of the Department of Defense, and civilian employees of Department of Defense contractors, provide critical support to the Armed Forces of the United States that are deployed during a contingency operation.

(2) Misconduct by such persons undermines good order and discipline in the Armed Forces, and jeopardizes the mission of the contingency operation.

(3) Military commanders need the legal tools to address adequately misconduct by civilians serving with Armed Forces during a contingency operation.

(4) In its present state, military law does not permit military commanders to address adequately misconduct by civilians serving with Armed Forces, except in time of a congressionally declared war.

(5) To address this need, the Uniform Code of Military Justice should be amended to provide for court-martial jurisdiction over civilians serving with Armed Forces in places designated by the Secretary of Defense during a ''contingency operation'' expressly designated as such by the Secretary of Defense.

(6) This limited extension of court-martial jurisdiction over civilians is dictated by military necessity, is within the constitutional powers of Congress to make rules for the government of the Armed Forces, and, therefore, is consistent with the Constitution of the United States and United States public policy.

(7) Many thousand civilian employees of the Department of Defense, civilian employees of Department of Defense contractors, and civilian dependents accompany the Armed Forces to installations in foreign countries.

(8) Misconduct among such civilians has been a longstanding problem for military commanders and other United States officials in foreign countries, and threatens United States citizens, United States property, and United States relations with host countries.

(9) Federal criminal law does not apply to many offenses committed outside of the United States by such civilians and, because host countries often do not prosecute such offenses, serious crimes often go unpunished and, to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such civilians outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

(10) Federal law does not apply to many crimes committed outside the United States by members of the Armed Forces who separate from the Armed Forces before they can be identified, thus escaping court-martial jurisdiction and, to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such persons outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

SEC. 3. COURT-MARTIAL JURISDICTION.

(a) JURISDICTION DURING CONTINGENCY OPERATIONS.—Section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by inserting after paragraph (12) the following:

''(13) To the extent not covered by paragraphs (10) and (11), persons not members of the armed forces who, in support of a contingency operation described in section 101(a)(13)(B) of this title, are serving with and accompanying an armed force in a place or places outside the United States specified by the Secretary of Defense, as follows:

''(A) Employees of the Department of Defense.

''(B) Employees of any Department of Defense contractor who are so serving in connection with the performance of a Department of Defense contract.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to acts or omissions occurring on or after that date.

SEC. 4. FEDERAL JURISDICTION.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

"CHAPTER 212—CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.

''3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States.

''3262. Delivery to authorities of foreign countries.

''3263. Regulations.

''3264. Definitions.

"§ 3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while serving with, employed by, or accompanying the Armed Forces outside of the United States, engages in conduct that would constitute an offense punishable by imprisonment for more than 1 year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be guilty of a like offense and subject to a like punishment.

''(b) CONCURRENT JURISDICTION.—Nothing in this chapter may be construed to deprive a court-martial, military commission, provost court, or other military tribunal of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by a court-martial, military commission, provost court, or other military tribunal.

''(c) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced against a person under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General or the Deputy Attorney General (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct that constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in relation to conduct referred to in such paragraph unless—

''(A) such person is delivered to authorities of a foreign country under section 3262; or

''(B) such person has had charges brought against him or her under chapter 47 of title 10 for such conduct.

"§ 3262. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3261(d) may deliver a person described in section 3261(a) to the appropriate authorities of a foreign country in which such person is alleged to have engaged in conduct described in section 3261(a) of this section if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense, in consultation with the Secretary of State, shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

"§ 3263. Regulations

''The Secretary of Defense shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.

"§ 3264. Definitions

''In this chapter—

''(1) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of—

''(i) a member of the Armed Forces;

''(ii) a civilian employee of a military department or of the Department of Defense; or

''(iii) a Department of Defense contractor or an employee of a Department of Defense contractor;

''(B) is residing with such member, civilian employee, contractor, or contractor employee outside the United States; and

''(C) is not a national of or ordinarily resident in the host nation;

''(2) the term 'Armed Forces' has the same meaning as in section 101(a)(4) of title 10; and

''(3) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is employed as a civilian employee of the Department of Defense, as a Department of Defense contractor, or as an employee of a Department of Defense contractor;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is not a national of or ordinarily resident in the host nation.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

"212. Criminal Offenses Committed Outside the United States ..... 3621".

AMENDMENT NO. 1226

(Purpose: To provide a complete substitute)

Mr. GORTON. Mr. President, I send an amendment to the desk on behalf of Mr. DEWINE and Mr. LEAHY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. SESSIONS, for himself, Mr. LEAHY, and Mr. DEWINE, proposes an amendment numbered 1226.

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

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military and Extraterritorial Jurisdiction Act of 1999''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Civilian employees of the Department of Defense, and civilian employees of Department of Defense contractors, provide critical support to the Armed Forces of the United States that are deployed during a contingency operation.

(2) Misconduct by such persons undermines good order and discipline in the Armed Forces, and jeopardizes the mission of the contingency operation.

(3) Military commanders need the legal tools to address adequately misconduct by civilians serving with Armed Forces during a contingency operation.

(4) In its present state, military law does not permit military commanders to address adequately misconduct by civilians serving with Armed Forces, except in time of a congressionally declared war.

(5) To address this need, the Uniform Code of Military Justice should be amended to provide for court-martial jurisdiction over civilians serving with Armed Forces in places designated by the Secretary of Defense during a ''contingency operation'' expressly designated as such by the Secretary of Defense.

(6) This limited extension of court-martial jurisdiction over civilians is dictated by military necessity, is within the constitutional powers of Congress to make rules for the government of the Armed Forces, and, therefore, is consistent with the Constitution of the United States and United States public policy.

(7) Many thousand civilian employees of the Department of Defense, civilian employees of Department of Defense contractors, and civilian dependents accompany the Armed Forces to installations in foreign countries.

(8) Misconduct among such civilians has been a longstanding problem for military commanders and other United States officials in foreign countries, and threatens United States citizens, United States property, and United States relations with host countries.

(9) Federal criminal law does not apply to many offenses committed outside of the United States by such civilians and, because host countries often do not prosecute such offenses, serious crimes often go unpunished and,to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such civilians outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

(10) Federal law does not apply to many crimes committed outside the United States by members of the Armed Forces who separate from the Armed Forces before they can be identified, thus escaping court-martial jurisdiction and, to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such persons outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

SEC. 3. COURT-MARTIAL JURISDICTION.

(a) JURISDICTION DURING CONTINGENCY OPERATIONS.—Section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by inserting after paragraph (12) the following:

''(13) To the extent not covered by paragraphs (10) and (11), persons not members of

the armed forces who, in support of a contingency operation described in section 101(a)(13)(B) of this title, are serving with and accompanying an armed force in a place or places outside the United States specified by the Secretary of Defense, as follows:

''(A) Employees of the Department of Defense.

''(B) Employees of any Department of Defense contractor who are so serving in connection with the performance of a Department of Defense contract.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to acts or omissions occurring on or after that date.

SEC. 4. FEDERAL JURISDICTION.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

''CHAPTER 212—CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.

''3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States.

''3262. Delivery to authorities of foreign countries.

''3263. Regulations.

''3264. Definitions.

''§ 3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while serving with, employed by, or accompanying the Armed Forces outside of the United States, engages in conduct that would constitute an offense punishable by imprisonment for more than 1 year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be guilty of a like offense and subject to a like punishment.

''(b) CONCURRENT JURISDICTION.—Nothing in this chapter may be construed to deprive a court-martial, military commission, provost court, or other military tribunal of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by a court-martial, military commission, provost court, or other military tribunal.

''(c) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced against a person under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General or the Deputy Attorney General (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest, in accordance with applicable international agreements, outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct that constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in relation to conduct referred to in such paragraph unless—

''(A) such person is delivered to authorities of a foreign country under section 3262; or

''(B) such person has had charges brought against him or her under chapter 47 of title 10 for such conduct.

''§ 3262. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3261(d) may deliver a person described in section 3261(a) to the appropriate authorities of a foreign country in which such person is alleged to have engaged in conduct described in section 3261(a) of this section if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense, in consultation with the Secretary of State, shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

''§ 3263. Regulations

''(a) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary of State and the Attorney General, shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.

''(b) NOTICE TO THIRD PARTY NATIONALS.—

''(1) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary of State, shall issue regulations requiring that, to the maximum extent practicable, notice shall be provided to any person serving with, employed by, or accompanying the Armed Forces outside the United States who is not a national of the United States that such person is potentially subject to the criminal jurisdiction of the United States under this chapter.

''(2) FAILURE TO PROVIDE NOTICE.—The failure to provide notice as prescribed in the regulations issued under paragraph (1) shall not defeat the jurisdiction of a court of the United States or provide a defense in any judicial proceeding arising under this chapter.

''§ 3264. Definitions

''In this chapter—

''(1) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of—

''(i) a member of the Armed Forces;

''(ii) a civilian employee of a military department or of the Department of Defense; or

''(iii) a Department of Defense contractor or an employee of a Department of Defense contractor;

''(B) is residing with such member, civilian employee, contractor, or contractor employee outside the United States; and

''(C) is not a national of or ordinarily resident in the host nation;

''(2) the term 'Armed Forces' has the same meaning as in section 101(a)(4) of title 10; and

''(3) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is employed as a civilian employee of the Department of Defense, as a Department of Defense contractor, or as an employee of a Department of Defense contractor;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is not a national of or ordinarily resident in the host nation.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

''212. Criminal Offenses Committed Outside the United States ..... 3621''.

Mr. LEAHY. Mr. President, I support S. 768, which was significantly improved during the Judiciary Committee mark up with a substitute amendment that I cosponsored with Senators SESSIONS and DEWINE. This important legislation will close a gap in Federal law that has existed for many years. S. 768 establishes authority for Federal jurisdiction over crimes committed by individuals accompanying our military overseas and court-marital jurisdiction over Department of Defense employees and contractors accompanying the Armed Forces on contingency missions outside the United States during times of war or national emergency declared by the President or the Congress.

Civilians accompanying the Armed Forces have been subject to court-martial jurisdiction when ''accompanying or serving with the armies of the United States in the field'' since the Revolutionary War. See *McCune* v. *Kilpatrick*, 53 F. Supp. 80, 84 (E.D. Va. 1943) It is only since the start of the cold war that American troops, accompanied by civilian dependents and employees, have been stationed overseas in peace time. Provisions of the Uniform Code of Military Justice provide for the court-martial of civilians accused of crimes while accompanying the armed forces in times of peace or war. The provisions allowing for peace time court-martial of civilians were found unconstitutional by a series of Supreme Court cases beginning with *Reid* v. *Covert*, 354 U.S. 1 (1957). With foreign nations often not interested in prosecuting crimes against Americans, particularly when committed by an American, the result is a jurisdictional ''gap'' that allows some civilians to literally get away with murder.

A report by the Overseas Jurisdiction Advisory Committee submitted to Congress in 1997, cited cases in which host countries declined to prosecute serious crimes committed by civilians accompanying our Armed Forces. These cases involved the sexual molestation of dependent girls, the stabbing of a serviceman and drug trafficking to soldiers. The individuals who committed these crimes against service men and women or their dependents were not prosecuted in the host country and were free to return to the United States and

continue their lives as if the incidents had never occurred. The victims of these awful crimes are left with no redress for the suffering they endured.

This inability to exercise Federal jurisdiction over individuals accompanying our armed forces overseas has caused problems. During the Vietnam War, Federal jurisdiction over civilians was not permissible since war was never declared by the Congress. Maj. Gen. George S. Prugh said, in his text on legal issues arising during the Vietnam war, that the inability to discipline civilians ''became a cause for major concern to the U.S. command.''

More recently, Operation Desert Storm involved the deployment of 4,500 Department of Defense civilians and at least 3,000 contractor employees. Similarly large deployments of civilians have been repeated in contingency operations in Somalia, Haiti, Kuwait, and Rwanda. Although crime by civilians accompanying our armed forces in Operation Desert Storm was rare, the Department of Defense did report that four of its civilian employees were involved insignificant criminal misconduct ranging from transportation of illegal firearms to larceny and receiving stolen property. One of these civilians was suspended without pay for 30 days while no action was taken on the remaining three.

Due to the lack of Federal jurisdiction over civilians in a foreign country, administrative remedies such as dismissal from the job, banishment from the base, suspension without pay, or returning the person to the United States are often the only remedies available to military authorities to deal with civilian offenders. The inadequacy of these remedies to address the criminal activity of civilians accompanying our Armed Forces overseas results in a lack of deterrence and an inequity due to the harsher sanctions imposed upon military personnel who committed the same crimes as civilians.

I expect the deployment of civilians in Kosovo and elsewhere will be relatively crime free, but regardless of the frequency of its use, the gap that allows individuals accompanying our military personnel overseas to go unpunished for heinous crimes must be closed. Our service men and women and those accompanying them deserve justice when they are victims of crime. That is why I introduced this provision as part of the Safe Schools, Safe Streets and Secure Borders Act with other Democratic Members, both last year as S. 2484 and again on January 19 of this year, as S. 9.

I had some concerns with certain aspects of S. 768 that were not included in my version of this legislation, and I am pleased that we were able to address those concerns in the Sessions-Leahy-DeWine substitute. For example, the original bill would have extended court-martial jurisdiction over DOD employees and contractors accompanying our Armed Forces overseas. The Supreme Court in *Reid* v. *Covert*, 354 U.S. 1 (1957), *Kinsella* v. *Singleton*, 361 U.S. 234 (1960) and *Toth* v. *Quarles*, 350 U.S. 11 (1955), has made clear that court-martial jurisdiction may not be constitutionally applied to crimes committed in peacetime by persons accompanying the armed forces overseas, or to crimes committed by a former member of the armed services.

The substitute makes clear that this extension of court-martial jurisdiction applies only in times when the armed forces are engaged in a ''contingency operation'' involving a war or national emergency declared by the Congress or the President. I believe this comports with the Supreme Court rulings on this issue and cures any constitutional infirmity with the original language.

In addition, the original bill would have deemed any delay in bringing a person before a magistrate due to transporting the person back to the United States from overseas as ''justifiable.'' I was concerned that this provision could end up excusing lengthy and unreasonable delays in getting a civilian, who was arrested overseas, before a U.S. Magistrate, and thereby raise yet other constitutional concerns.

The Sessions-Leahy-DeWine substitute cures that potential problem by removing the problematic provision and relying instead on rule 5 of the Federal Rules of Criminal Procedure. This rule requires that an arrested person be brought before a magistrate to answer charges without unnecessary delays, and will apply to the removal of a civilian from overseas to answer charges in the United States.

Finally, S. 768 as introduced authorized the Department of Defense to determine which foreign officials constitute the appropriate authorities to whom an arrested civilian should be delivered. In my proposal for this legislation I required that DOD make this determination in consultation with the Department of State. I felt this would help avoid international faux pax. I am pleased that the Sessions-Leahy substitute adopted my approach to this issue and requires consultation with the Department of State.

I am glad the legislation which I and other Democratic Members of the Judiciary Committee originally introduced both last year and again on January 19 of this year, is finally being considered, and I urge its prompt passage.

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee amendment be agreed to, as amended, the bill be read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

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

The amendment (No. 1226) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (S. 768), as amended, was read the third time, and passed.

S. 768

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 ''Military and Extraterritorial Jurisdiction Act of 1999''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Civilian employees of the Department of Defense, and civilian employees of Department of Defense contractors, provide critical support to the Armed Forces of the United States that are deployed during a contingency operation.

(2) Misconduct by such persons undermines good order and discipline in the Armed Forces, and jeopardizes the mission of the contingency operation.

(3) Military commanders need the legal tools to address adequately misconduct by civilians serving with Armed Forces during a contingency operation.

(4) In its present state, military law does not permit military commanders to address adequately misconduct by civilians serving with Armed Forces, except in time of a congressionally declared war.

(5) To address this need, the Uniform Code of Military Justice should be amended to provide for court-martial jurisdiction over civilians serving with Armed Forces in places designated by the Secretary of Defense during a ''contingency operation'' expressly designated as such by the Secretary of Defense.

(6) This limited extension of court-martial jurisdiction over civilians is dictated by military necessity, is within the constitutional powers of Congress to make rules for the government of the Armed Forces, and, therefore, is consistent with the Constitution of the United States and United States public policy.

(7) Many thousand civilian employees of the Department of Defense, civilian employees of Department of Defense contractors, and civilian dependents accompany the Armed Forces to installations in foreign countries.

(8) Misconduct among such civilians has been a longstanding problem for military commanders and other United States officials in foreign countries, and threatens United States citizens, United States property, and United States relations with host countries.

(9) Federal criminal law does not apply to many offenses committed outside of the United States by such civilians and, because host countries often do not prosecute such offenses, serious crimes often go unpunished and,to address this jurisdictional gap, Federal law should be amended to punish serious offenses committed by such civilians outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

(10) Federal law does not apply to many crimes committed outside the United States by members of the Armed Forces who separate from the Armed Forces before they can be identified, thus escaping court-martial jurisdiction and, to address this jurisdictional

gap, Federal law should be amended to punish serious offenses committed by such persons outside the United States, to the same extent as if those offenses were committed within the special maritime and territorial jurisdiction of the United States.

SEC. 3. COURT-MARTIAL JURISDICTION.

(a) JURISDICTION DURING CONTINGENCY OPERATIONS.—Section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by inserting after paragraph (12) the following:

''(13) To the extent not covered by paragraphs (10) and (11), persons not members of the armed forces who, in support of a contingency operation described in section 101(a)(13)(B) of this title, are serving with and accompanying an armed force in a place or places outside the United States specified by the Secretary of Defense, as follows:

''(A) Employees of the Department of Defense.

''(B) Employees of any Department of Defense contractor who are so serving in connection with the performance of a Department of Defense contract.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply with respect to acts or omissions occurring on or after that date.

SEC. 4. FEDERAL JURISDICTION.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

''CHAPTER 212—CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.

''3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States.

''3262. Delivery to authorities of foreign countries.

''3263. Regulations.

''3264. Definitions.

''§ 3261. Criminal offenses committed by persons formerly serving with, or presently employed by or accompanying, the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while serving with, employed by, or accompanying the Armed Forces outside of the United States, engages in conduct that would constitute an offense punishable by imprisonment for more than 1 year if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be guilty of a like offense and subject to a like punishment.

''(b) CONCURRENT JURISDICTION.—Nothing in this chapter may be construed to deprive a court-martial, military commission, provost court, or other military tribunal of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by a court-martial, military commission, provost court, or other military tribunal.

''(c) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced against a person under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General or the Deputy Attorney General (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest, in accordance with applicable international agreements, outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct that constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in relation to conduct referred to in such paragraph unless—

''(A) such person is delivered to authorities of a foreign country under section 3262; or

''(B) such person has had charges brought against him or her under chapter 47 of title 10 for such conduct.

''§ 3262. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3261(d) may deliver a person described in section 3261(a) to the appropriate authorities of a foreign country in which such person is alleged to have engaged in conduct described in section 3261(a) of this section if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense, in consultation with the Secretary of State, shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

''§ 3263. Regulations

''(a) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary of State and the Attorney General, shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.

''(b) NOTICE TO THIRD PARTY NATIONALS.—

''(1) IN GENERAL.—The Secretary of Defense, after consultation with the Secretary of State, shall issue regulations requiring that, to the maximum extent practicable, notice shall be provided to any person serving with, employed by, or accompanying the Armed Forces outside the United States who is not a national of the United States that such person is potentially subject to the criminal jurisdiction of the United States under this chapter.

''(2) FAILURE TO PROVIDE NOTICE.—The failure to provide notice as prescribed in the regulations issued under paragraph (1) shall not defeat the jurisdiction of a court of the United States or provide a defense in any judicial proceeding arising under this chapter.

''§ 3264. Definitions

''In this chapter—

''(1) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of—

''(i) a member of the Armed Forces;

''(ii) a civilian employee of a military department or of the Department of Defense; or

''(iii) a Department of Defense contractor or an employee of a Department of Defense contractor;

''(B) is residing with such member, civilian employee, contractor, or contractor employee outside the United States; and

''(C) is not a national of or ordinarily resident in the host nation;

''(2) the term 'Armed Forces' has the same meaning as in section 101(a)(4) of title 10; and

''(3) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is employed as a civilian employee of the Department of Defense, as a Department of Defense contractor, or as an employee of a Department of Defense contractor;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is not a national of or ordinarily resident in the host nation.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

''212. Criminal Offenses Committed Outside the United States ..... 3621''.

CONDEMNING ACTS OF ARSON AT SACRAMENTO, CA, SYNAGOGUES

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 136, introduced earlier today by Senators BOXER and FEINSTEIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 136) condemning the acts of arson at three Sacramento, CA, synagogues on June 18, 1999, and calling on all Americans to categorically reject crimes of hate and intolerance.

There being no objection, the Senate proceeded to consider the resolution.

Mrs. FEINSTEIN. Mr. President, I rise today to join my friend and colleague, Senator BARBARA BOXER, to introduce a Sense of the Senate Resolution condemning the acts of arson at three Sacramento, California synagogues on June 18, 1999. The resolution also calls on all Americans to categorically reject crimes of hate and intolerance.

I believe this measure is important not only to the Sacramento community but also to all Americans who abhor intolerance.

I was shocked and saddened when I first heard the news that three synagogues in Sacramento had been targeted by arsonists. Committed just a few hours before dawn, this heinous attack was carried out over a 45 minute time span signaling to us that this was deliberate and premeditated act.

In that time, $1.2 million in damage was done to the Congregation B'nai Israel, Congregation Beth Shalom and the Kenessett Israel Torah Center. While the damage to the property was severe, no dollar amount can reflect the true damage done when hateful

crimes such as these strike at the heart of a community.

Mr. President, I believe it is tragic that even though we have made significant progress to increase tolerance in this nation that such vicious hate crimes continue to be committed.

This resolution expresses our resolve to ensure that such acts of ignorance and bigotry will not be tolerated in this nation and those who commit them will face swift justice. While the resolution condemns these specific acts of arson in the Sacramento area, it also declares our collective abhorrence to all crimes of intolerance.

The resolution also says that the Senate is committed to using Federal law enforcement personnel and resources to identify the persons who committed these heinous acts and brings them to justice in a swift and deliberate manner. It also recognizes and applauds the residents of Sacramento area who have so quickly joined together to lend support and assistance to the victims of these despicable crimes, and remains committed to preserving the freedom of religion of all members of the community.

I believe that one of the most sacred rights we have as Americans is the freedom of religion. This country came to be because people wanted to be able to choose how they worshiped. I hope that in the wake of this sorrowful event, we are all reminded of the importance of this freedom.

Whatever the motive in these arsons, all people of faith in the Sacramento community and this nation must stand together to fight such hatred. The bottom line is that hatred, bigotry and racism all come from the same place—ignorance.

California's modern heritage is one in which diversity is to be respected, not scorned. As long as hate crimes continue to counter that heritage, we must work together to denounce intolerance and the protect the rights of all.

Mr. President, while we have made progress to increase tolerance in this nation, tragic events like these in Sacramento prove that we still need to do more. Together, we must send the strongest possible message that hate crimes will not be tolerated.

Mr. ABRAHAM. Mr. President, I join today with my colleagues, Senators BOXER and FEINSTEIN to introduce a resolution condemning the acts of arson against the three Jewish synagogues in Sacramento, California.

Our history is blessed with courageous acts of men and women who have refused to accept, and united against, ignorance, oppression and discrimination. It was their selflessness which, in large part, secured and protected the same freedoms and liberties so many Americans take for granted today.

On June 18th, 1999, in Sacramento, California, the Congregation B'nai Israel, Congregation Beth Shalom and Knesset Israel Torah Center were victims of malicious and cowardly acts of arson. Mr. President, these acts of intolerance and malice are a direct attack against all Americans and the ideals which are integral to a free and democratic society. The very liberties that allow America to prosper are directly undermined by such acts of blatant hatred and intolerance.

Mr. President, the United States owes much of its strength and greatness to the special uniqueness and diversity of its people. It is imperative that we unite, upholding our responsibility to honor and protect the basic, inalienable right to live without fear and violence. We must send a message to those individuals who would undermine our free and democratic society, that their acts, and any similar actions, will not be tolerated.

Mr. President, I would also like to take this time to commend the residents of Sacramento, and the larger California community, who have joined in solidarity with the Jewish congregations, demonstrating their continued commitment to preserving the freedom of all members of the community.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid upon the table and any statements be printed in the RECORD.

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

The resolution (S. Res. 136) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 136

Whereas on the evening of June 18, 1999, in Sacramento, California, the Congregation B'nai Israel, Congregation Beth Shalom, and Kenesset Israel Torah Center were victims of malicious and cowardly acts of arson;

Whereas such crimes against our institutions of faith are crimes against us all;

Whereas we have celebrated since our Nation's birth the rich and colorful diversity of its people, and the sanctity of a free and democratic society;

Whereas the liberties Americans enjoy are attributed in large part to the courage and determination of visionaries who made great strides in overcoming the barriers of oppression, intolerance, and discrimination in order to ensure fair and equal treatment for every American by every American;

Whereas this type of unacceptable behavior is a direct assault upon the fundamental rights of all Americans who cherish their freedom of religion; and

Whereas every Member of Congress serves in part as a role model and bears a responsibility to protect and honor the multitude of cultural institutions and traditions we enjoy in the United States of America: Now, therefore, be it *Resolved*, That the Senate—

(1) condemns the crimes that occurred in Sacramento, California, at Congregation B'nai Israel, Congregation Beth Shalom, and Kenesset Israel Torah Center on the evening of June 18, 1999;

(2) rejects such acts of intolerance and malice in our society and interprets such attacks on cultural and religious institutions as an attack on all Americans;

(3) in the strongest terms possible, is committed to using Federal law enforcement personnel and resources pursuant to existing federal authority to identify the persons who committed these heinous acts and bring them to justice in a swift and deliberate manner;

(4) recognizes and applauds the residents of the Sacramento, California, area who have so quickly joined together to lend support and assistance to the victims of these despicable crimes, and remain committed to preserving the freedom of religion of all members of the community; and

(5) calls upon all Americans to categorically reject similar acts of hate and intolerance.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations en bloc on the Executive Calendar: Nos. 15, 35, 70, 75, 97, 100 through 103, 131, 132, 134, 138, 139, 141 through 156, and all nominations on the Secretary's desk in the Foreign Service.

I finally ask unanimous consent that the nominations be confirmed, en bloc, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, that the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

ENVIRONMENTAL PROTECTION AGENCY

Gary S. Guzy, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

DEPARTMENT OF STATE

Diane Edith Watson, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal States of Micronesia.

DEPARTMENT OF ENERGY

Carolyn L. Huntoon, of Virginia, to be an Assistant Secretary of Energy (Environmental Management).

EXECUTIVE OFFICE OF THE PRESIDENT

John T. Spotila, of New Jersey, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Albert S. Jacquez, of California, to be Administrator of the Saint Lawrence Seaway Development Corporation for a term of seven years.

CONSUMER PROTECTION SAFETY COMMISSION

Mary Sheila Gall, of Virginia, to be a Commissioner of the Consumer Product Safety Commission for a term of seven years from October 27, 1998.

Ann Brown, of Florida, to be a Commissioner of the Consumer Product Safety Commission for a term of seven years from October 27, 1999.

Ann Brown, of Florida, to be Chairman of the Consumer Product Safety Commission.

DEPARTMENT OF VETERANS AFFAIRS

John T. Hanson, of Virginia, to be an Assistant Secretary of Veterans Affairs (Public and Intergovernmental Affairs).

ENVIRONMENTAL PROTECTION AGENCY

Timothy Fields, Jr., of Virginia, to be Assistant Administrator, Office of Solid Waste, Environmental Protection Agency.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Melvin E. Clark, Jr., of the District of Columbia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1999.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Donald Lee Pressley, of Virginia, to be an assistant Administrator of the Agency for International Development.

DEPARTMENT OF STATE

Donald W. Keyser, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for Rank of Ambassador during tenure of service as Special Representative of the Secretary of State for Nagorno-Karabakh and New Independent States Regional Conflicts.

Larry C. Napper, of Texas, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for Rank of Ambassador during tenure of service as Coordinator of the Support for East European Democracy (SEED) Program.

Frank Almaguer, of Virginia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Honduras.

John R. Hamilton, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Peru.

Gwen C. Clare, of South Carolina, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ecuador.

Oliver P. Garza, of Texas, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nicaragua.

Joyce E. Leader, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

David B. Dunn, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

M. Michael Einik, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to The Former Yugoslav Republic of Macedonia.

Mark Wylea Erwin, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mauritius, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Islamic Republic of the Comoros and as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Christopher E. Goldthwait, of Florida, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Joseph Limprecht, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Albania.

Prudence Bushnell, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guatemala.

Donald Keith Bandler, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.

Johnnie Carson, of Illinois, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

Thomas J. Miller, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bosnia and Herzegovina.

Bismarck Myrick, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Liberia.

Michael D. Metelits, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cape Verde.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE FOREIGN SERVICE

Foreign Service nomination of Peter S. Wood, which was received by the Senate and appeared in the Congressional Record of January 19, 1999.

Foreign Service nominations beginning Constance A. Carrino, and ending Ruth H. Vanheuven, which nominations were received by the Senate and appeared in the Congressional Record of February 23, 1999.

Foreign Service nominations beginning Brian E. Carlson, and ending Leonardo M. Williams, which nominations were received by the Senate and appeared in the Congressional Record of March 24, 1999.

Foreign Service nominations beginning Dale V. Slaght, and ending Eric R. Weaver, which nominations were received by the Senate and appeared in the Congressional Record of March 24, 1999.

Foreign Service nominations beginning Johnny E. Brown, and ending Mee Ja Yu, which nominations were received by the Senate and appeared in the Congressional Record of April 12, 1999.

Foreign Service nominations beginning Jay M. Bergman, and ending Robin Lane White, which nominations were received by the Senate and appeared in the Congressional Record of May 11, 1999.

Foreign Service nomination of Stephen A. Dodson, which was received by the Senate and appeared in the Congressional Record of May 18, 1999.

Foreign Service nominations beginning Karen Aguilar, and ending Lauri M. Kassman, which nominations were received by the Senate and appeared in the Congressional Record of May 26, 1999.

NOMINATION OF TIMOTHY FIELDS, JR.

Mr,. WARNER. Mr. President, I am pleased to support the nomination of a fellow Virginian, Timothy Fields, Jr., to be the Assistant Administrator of the Environmental Protection Agency (EPA). When I look back over Mr. Fields' dedication to public service including 28 years at the EPA as well as the strong educational background he received at one of our nation's most selective colleges and a great source of pride for my home state of Virginia, Virginia Tech University, I say to myself, the President and the EPA Administrator selected wisely.

We are fortunate that a man of this caliber and distinction is willing to devote himself to public service. Rarely have we had a nominee come before the Environment and Public Works Committee, on which I am privileged to serve, with so much direct experience to qualify himself for the job. Mr. Fields comes before us not from a political background but from the field of engineering.

Here are some highlights: upon graduating from Virginia Tech, Mr. Fields received a masters degree from George Washington University and has studied at Ohio State University. His lifetime of service at EPA began in 1971. Most recently, on February 17, 1997, Mr. Fields was appointed Acting Assistant Administrator for the Office of Solid Waste and Emergency Response (OSWER). Prior to this, Mr. Fields served for three years as Principal Deputy Administrator for OSWER where he was responsible for Superfund and solid waste under RCRA, Director of EPA's Superfund office for over two years and serving in that office for five years, and Director of EPA's Emergency Response Division for four and a half years and Deputy Director of the Hazardous Site Control Division for a year and a half.

Even more remarkable is his list of achievements. He received the highest award for civil servants, the Presidential Rank Award for Distinguished Executive Service—not once but four times. He was recommended twice under President George Bush and twice under President Bill Clinton. He is the only EPA employee to be so honored.

According to a report issued by the General Accounting Office, by the end of this fiscal year, all cleanup remedies will have been selected for over 1,100 sites. About 31,000 sites have been removed from the Superfund inventory of

potential waste sites to help promote the economic redevelopment of these priorities. I think it is fair to say that Mr. Fields deserves part of the credit.

Mr. Fields' career at EPA is one of great distinction and is a model for Virginians interested in a life in public service. I am very proud to offer my support for Mr. Fields.

THANKS TO THE MAJORITY LEADER

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his willingness to have a session on tomorrow in order that I and other Senators might make speeches which we have not had an opportunity to give during the previous busy days of this week. But I thought it better, if it could be done, that we complete our speeches today and not cause the Senate to have to be in session on tomorrow.

I did want to thank the majority leader for his willingness to have the Senate come in.

Mr. President, I thank those who have stayed to listen, and may God bless all the Members of this body and all the staff people who work to help us to serve our constituents. May he continue to bless this great country, and may we as Americans never forget that this country has been a favorite in God's masterful design. God bless America.

I yield the floor.

ACCESS TO NETWORK STATIONS VIA SATELLITE TELEVISION

Mr. BYRD. Mr. President, I rise to urge a speedy resolution to the conference the House- and Senate-passed versions of H.R. 1554, the Satellite Home Viewer Improvement Act. I hope that the conferees will meet soon, and that the Congress can take final action on this matter.

This is a much needed measure to enhance the satellite television industry's ability to compete with cable television. Currently, cable has a commanding 85 percent share of the multichannel video programming distribution market. Satellite serves only 12.1 percent of the market. The 1988 Satellite Home Viewer Act enacted in 1988 put in place certain impediments to satellite carriers being truly competitive with cable. This measure alleviates those roadblocks and will promote real competition. This is good news for consumers. Prices should come down, and the diversity of programming offered should increase.

The Senate version of H.R. 1554 would remove the 90-day waiting period for receipt of broadcast network signals that consumers currently face when switching from cable to satellite television reception. It would authorize satellite carriers to offer local television station broadcasts to their customers. This provision would go a long way toward leveling the playing field between cable and satellite television. One of the major deterrents to purchasing satellite television has been the inability to watch local broadcast programming. The bill also contains a ''must carry'' provision, meaning that all local stations must be carried by the satellite carriers by January 1, 2002.

But, Mr. President, the aspect of this legislation that my constituents are most immediately concerned about is their current access to distant network signals through their satellite television systems. As I drive through the mountains of West Virginia, I am awed by their beauty and majesty. West Virginia truly is an amazing state in which to live, sometimes described as ''all ups and downs.'' Flattened out as you would a crumpled piece of paper, a topographic map of West Virginia would move up the ranks from one of the smaller states in the Union to one of the largest. This awe-inspiring geography presents unique challenges to my constituents. One of those challenges is the ability to receive over-the-air broadcast signals. Many of my constituents, through no fault of their own, are having those signals terminated. While they may live in an area that is supposed to get a signal from the local broadcast station, many times geography and other factors result in a picture that is not acceptable. Under current law, if a household should be able to receive broadcast network signals with an antenna, that household is ineligible to receive distant network signals from their satellite provider. This leaves many West Virginians with little recourse. Their street address or zip code indicates that they should be able to receive local stations with a rooftop antenna, but the steep hillsides that form their backyards make that impossible.

In an effort to address this issue, under the Senate-passed version of H.R. 1554, customers who were receiving a distant network signal before July 11, 1998, would receive those signals until December 31, 1999. After that date, the affiliate network signals of customers residing within the Grade A contours, the areas closest to the broadcast station, would be cut off. This bill will allow satellite subscribers outside of the grade A contour, but within the grade B contour, to continue to receive their distant network signals after December 31, 1999, subject to an FCC rulemaking. I believe this is a fair way to deal with subscribers who, through no fault of their own, would otherwise have distant network signals terminated.

I am a strong supporter of local broadcasters, and I believe that they perform an important function for local communities. The local news and emergency services broadcasters provide are invaluable and should be protected. While I understand the concerns expressed by local broadcasters, I am not convinced that the grandfathering provision included in the Senate bill will constitute significant harm to their livelihoods.

I urge the conferees to complete action so that Congress can quickly enact this legislation to provide relief to the many people throughout West Virginia and the Nation.

I apologize to all officers, Senators's aides and Members of the staff for the late hour, but I think that is perhaps better than being in session tomorrow.

INDEPENDENCE DAY

Mr. BYRD. Mr. President, I take this time to call the attention of our colleagues and our viewing audience to the forthcoming Independence Day, July 4.

What is July 4 all about? The Declaration of Independence in U.S. history was a document that proclaimed the freedom of the Thirteen Colonies from British rule. It was the first formal pronouncement by an organized body of people of the right to govern by choice.

On July 2, 1776, the Second Continental Congress, meeting in Philadelphia, approved Richard Henry Lee's motion for independence, and on July 4—which later came to be celebrated as Independence Day—it approved the declaration. Signing of the declaration took place over the course of several months, beginning August 2. Ultimately, the signatories numbered 56.

The Declaration of Independence, written primarily by Thomas Jefferson, and modeled largely on the theories of John Locke, have affirmed the national rights of man and the doctrine of government by contract, which Congress insisted had been repeatedly violated by King George III.

Specific grievances were listed in support of the contention that the Colonies had the right and the duty to revoke. The declaration was paid little attention to at the time, but it proved influential in the 19th century, and in the United States has enjoyed an esteem second only to the Federal Constitution.

Mr. President, all across the United States and in U.S. embassies around the world, lawns are being mowed and outdoor furniture is being hosed off as Americans prepare to celebrate our biggest open air holiday, Independence Day. The fireworks stands have been doing brisk business selling everything from smoky uncoiling snakes to dazzling sparklers to rockets and fountains that shriek and pop as they dispense multicolored bursts of flame and sparks.

The one great constant in our national lexicon, it seems, is the Fourth

of July. With some variations in the side dishes, the core menu reliably consists of juicy hamburgers and crispskinned hotdogs slathered in ketchup and mustard, served with creamy potato and macaroni salads, potato chips, onions, sweet corn on the cob dripping with butter, and icy, icy, icy, icy watermelon wedges that provide the ammunition for seed spitting contests. How great it is.

Whether eating with friends or family at a picnic site, in one's backyard, or tailgate style, the feasts are followed by games to fill the endless wait until the skies darken and become a fitting backdrop for the big show of the day—the fireworks displays.

The sight of fireworks, those great blossoming stars of sparks that burst and then fall like rain from the sky, never fails to remind me of the words of the Star Spangled Banner, written by Francis Scott Key after witnessing the artillery bombardment of Fort McHenry during the War of 1812: ''. . . and the rockets red glare, the bombs bursting in air, gave proof through the night that our flag was still there. . . .'' Francis Scott Key was being held by the British, having sailed out to their fleet, staged off Baltimore, in an attempt to free a local doctor taken hostage earlier. The British officers did finally agree to free the doctor, but decided that Key and his companions had seen too much to be released before the attack began.

The beauty and excitement of the fireworks that many of us will see this weekend, therefore, evoke for me the great battles that were fought to make our Nation free and to defend her from harm in those dangerous early years of the republic. It is when I see fireworks that I most fully appreciate the great risks hazarded by our forefathers when they declared independence from the Crown. They risked everything—their lives, their fortunes, their lands, their families, their sacred honor.

I recall Nathan Hale, who responded to the call of George Washington, the commander of the armies at Valley Forge. George Washington wanted someone to volunteer to go behind the British lines and draw pictures of the breastworks and bring them back to him, George Washington. It was a dangerous undertaking. It meant risking one's life. And so Nathan Hale, who was a schoolteacher, volunteered. He went behind the British lines. He succeeded in what he had gone there to do, but the night before he planned to return to the American lines he was discovered and the papers were discovered on him, and the next morning he was brought before the scaffold. The British officer, whose name was Cunningham, and who denied Nathan Hale's last wish, his wish for a Bible, said to him: Have you anything to say?

Well, there at the foot of the scaffold, Nathan Hale could see the rough-hewn wooden coffin in which his body would soon lie. He said, ''I only regret that I have but one life to lose for my country.'' Think of that. ''I only regret that I have but one life to lose for my country.''

That is the kind of patriot who gave this country its independence, and many of us can't even give our country one vote on election day. What a pitiful example we sometimes set as a people on election day when we don't bother to go to the polls. Whether we are Democrats or Republicans or Independents, we should owe that much, that much to our country and to the memory of Nathan Hale.

I talk to our young pages here and sometimes I borrow a history book from those who are here when they are attending school. I want to see what kind of history books they are reading in this day and time. When I was talking with these young pages a few days ago, I said, Who was Nathan Hale? Who here knows, who can tell me about Nathan Hale?

Well, sorrowfully, many of the history books today don't even mention Nathan Hale's name. Those are not history books. They are social science textbooks. Nathan Hale; and so he said, ''I only regret that I have but one life to lose for my country.''

Those men and women risked everything, as I say—their lives, their fortunes, their lands, their families, their sacred honor, even the populations in the States they represented—when they boldly inked their names on the Declaration of Independence.

In the percussive thuds and whistling screams of today's fireworks I can hear—Can you hear?—the distant thunder of cannons and the crack of flintlocks as the first major land battle of the Revolutionary War was pitched at Point Pleasant, West Virginia. When I see the great fireworks displays put on here in the Nation's capital, I see the shadows of the Capitol dome consumed in flames, as it was in August 1814. If I look out on the wide Potomac dotted with pleasure craft bobbing gently at anchor as still more people enjoy the fireworks, I can easily imagine General George Washington and his ragged Army struggling to cross the Delaware River for their daring Christmas day raid in the bitter cold of December 1776. And when I catch the scent of black powder drifting by as the night sky grows cloudy with the smoke from the explosions, I get the tingling sensation of fear and nerves that must have accompanied every soldier awaiting advancing Redcoats at Lexington and Concord.

What courage and what bravery were displayed by the people of this fledgling Nation, when first they undertook to break away from Great Britain. What great good fortune I, and everyone else who is listening, have, to be able to enjoy the fruits of their boldness, their courage, their willingness to give their lives. From coast to coast this weekend, we are able to freely gather, to celebrate, to rejoice, and, yes, to watch fireworks in a peaceful imitation of those perilous days over twenty decades ago. In this great land and its marvelously balanced Constitution, we have inherited a treasure beyond price. It is a treasure that we honor with our service and which we defend with our blood if need be.

So, while I enjoy the parades and picnics and fireworks of this happy holiday, I will also be offering my thanks to all those through the years who are responsible for struggling and winning the battles to secure our more perfect union, that we might be free to pursue health, happiness, and the blessings of liberty. My thanks also go to those men and women who today guard our freedom and who offer hope to others who fear the loss of their liberty, their lives, and their families.

I thank Nathan Hale who died on September 22, 1776, and who willingly would have died many times for his country.

We are a great and prosperous nation. We ought to thank God for his watchfulness over us, for the blessings he has showered upon our great country from its beginning, even before the Republic was instituted.

Just this week we have learned anew how prosperous we are, as the administration heralded new long-term estimates that paint a very bright economic picture of rising surpluses and falling debt. I must confess I am pretty wary of economic estimates. That is a science even far less exact than weather forecasting or even, it seems, astrology. It does seem clear that for the near term, at least, we may expect a small on-budget surplus that was not previously anticipated. I urge that we Senators support an effort to designate a substantial portion of these newly found resources to the Department of Veterans Affairs in order to support veterans health care. I have talked to my good friend and colleague, Mr. STEVENS, the chairman of the Appropriations Committee, and we are in agreement. But the fact that we are in agreement does not mean that the matter is settled. We have a tough uphill battle before us.

Veterans health care, a promise of lifetime care made to everyone who serves faithfully and well in the defense of our Nation, faces a funding crisis that threatens the quality and continuity of the health care that these men and women have come to depend upon. Veterans service organizations and others knowledgeable about the needs of America's veterans have pointed out that the fiscal year 2000 budget request for veterans health care is far below what is needed to meet demand and to allow the Veterans Administration to respond to new requirements levied by Congress. The budget

resolution conference report adopted by the Congress earlier this year made a commitment to provide additional funds for veterans health care, but a budget resolution is a nonbinding document. Platitudes, good intentions, and fireworks do not pay doctor's bills. The funding caps passed by Congress have left the Appropriations Committee hamstrung, unable to provide more funding for this and other worthy causes. But now, if additional surpluses not associated with Social Security become available, I believe that we should try hard to honor our commitment made in the budget resolution, and honor our debt to the veterans who, in the spirit of those patriots of the Revolution, dared much, risked much, and sacrificed much that we might enjoy the blessings of freedom. They treasure our country and honor it with their service and their blood. I feel certain that my colleagues share with me a commitment to our Nation's veterans that is stronger and deeper than any allegiance to an arbitrary budget figure or cap that is based on a very different set of economic assumptions.

Mr. President, I have been fortunate to have traveled across the globe. I have seen many other lovely and ancient places, from Rome to Cairo to London to Tokyo to Moscow to that great crossroads of east and west that is Istanbul. I met warm and charming people in all these places and more. But, like Americans who will gather in far flung outposts around the globe next Monday to toast their homeland, and on Sunday to fly that flag in front of our homes, I am always glad to come home. No spot on earth calls to me like the mountains of my home, West Virginia, where the ground rises to meet my feet and the trees spread dappled umbrellas to shade me from the Sun; where glittering rivulets of clear, cold water flash like gems set in a verdant tapestry of ferns; and where birdsongs chime the hours away. In a gentle eternal symphony, raindrops hitting leaves provide the timpani and wind through the tossing branches serves as strings. The woodwind notes of mourning doves gently welcome the Sun each morning and whippoorwills pipe its setting in the evening. It is music for the heart as well as for the ears.

Nowhere are the people more dear to me than in West Virginia, where church doors are always ready to welcome the traveler and where in grocery stores there are clerks who still greet me by name and ask about my family. West Virginians are a proud people, proud of their heritage, proud of their home State. Wherever you may find them around the world—and I have found them in Afghanistan, in India, all across the globe—they are always proud to proclaim themselves Mountaineers.

I close with a favorite poem of mine by Henry van Dyke, ''America for Me'':

'Tis fine to see the Old World, and travel up and down
Among the famous palaces and cities of renown,
To admire the crumbly castles and the statues of the kings,—
But now I think I've had enough of antiquated things.
So it's home again, and home again, America for me!
My heart is turning home again, and there I long to be,
In the land of youth and freedom beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.
Oh, London is a man's town, there's power in the air;
And Paris is a woman's town, with flowers in her hair;
And it's sweet to dream in Venice, and it's great to study in Rome
But when it comes to living there is just no place like home.
I like the German fir-woods, in green battalions drilled;
I like the gardens of Versailles with flashing fountains filled;
But, oh, to take your hand, my dear, and ramble for a day
In the friendly western woodland where Nature has her way!
I know that Europe's wonderful, yet something seems to lack:
The Past is too much with her, and the people looking back.
But the glory of the Present is to make the Future free,—
We love our land for what she is and what she is to be.
Oh, it's home again, and home again, America for me!
I want a ship that's westward bound to plough the rolling sea,
To the blessed Land of Room Enough beyond the ocean bars,
Where the air is full of sunlight and the flag is full of stars.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR MONDAY, JULY 12, 1999

Mr. GORTON. Mr. President, I ask unanimous consent that when the Senate completes its business, it stand in adjournment until 12 noon on Monday, July 12. I further ask that on Monday, following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period of morning business until 1 p.m.

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

PROGRAM

Mr. GORTON. Mr. President, for the information of all Senators, the Senate will reconvene at 12 noon on Monday, July 12, and will immediately proceed to a period of morning business until 1 p.m.

By previous consent, the Patients' Bill of Rights will be the pending business at 1 p.m. Amendments to that legislation are possible.

Any votes ordered, however, will not take place until Tuesday, July 13, at a time to be determined by the two leaders.

As previously announced by the majority leader, there will be a cloture vote on the pending lockbox amendment to S. 557 on Friday, July 16.

ORDER FOR ADJOURNMENT

Mr. GORTON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the provisions of Senate Concurrent Resolution No. 43, following the remarks of my distinguished and extremely patient colleague, Senator BYRD.

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

The Senator from West Virginia is recognized.

ADJOURNMENT UNTIL MONDAY, JULY 12, 1999

The PRESIDING OFFICER. The Senate now stands adjourned until noon on Monday, July 12.

Thereupon, the Senate, at 10:24 p.m., adjourned until Monday, July 12, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 1, 1999:

DEPARTMENT OF ENERGY

CURT HEBERT, JR., OF MISSISSIPPI, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2004. (REAPPOINTMENT)

DEPARTMENT OF THE INTERIOR

EARL E. DEVANEY, OF MASSACHUSETTS, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE INTERIOR, VICE ELJAY B. BOWRON, RESIGNED.

DEPARTMENT OF STATE

LAWRENCE H. SUMMERS, OF MARYLAND, TO BE UNITED STATES GOVERNOR OF THE INTERNATIONAL MONETARY FUND FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF FIVE YEARS; UNITED STATES GOVERNOR OF THE ASIAN DEVELOPMENT BANK; UNITED STATES GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; UNITED STATES GOVERNOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

JAMES B. CUNNINGHAM, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DEPUTY REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

HARRIET L. ELAM, OF MASSACHUSETTS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SENEGAL.

J. RICHARD FREDERICKS, OF CALIFORNIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SWITZERLAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PRINCIPALITY OF LIECHTENSTEIN.

BARBARA J. GRIFFITHS, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ICELAND.

GREGORY LEE JOHNSON, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SWAZILAND.

JIMMY J. KOLKER, OF MISSOURI, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BURKINA FASO.

SYLVIA GAYE STANFIELD, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BRUNEI DARUSSALAM.

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

SUSAN HERTHUM GARRISON, OF FLORIDA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

BERYL C. BLECHER, OF FLORIDA
DAVID L. GOSSACK, OF WASHINGTON
JOSEPH B. KAESSHAEFER, JR., OF FLORIDA
AMER M. KAYANI, OF CALIFORNIA
RONALD L. SORIANO, OF CONNECTICUT

DEPARTMENT OF STATE

PAUL A. FOLMSBEE, OF TEXAS

UNITED STATES INFORMATION AGENCY

EDWARD J. KULAKOWSKI, OF VIRGINIA
CONRAD WILLIAM TURNER, OF THE DISTRICT OF COLUMBIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

MARTIN G. PATTERSON, OF VIRGINIA

DEPARTMENT OF COMMERCE

STEPHEN E. ALLEY, OF TENNESSEE
ROBERT D. BANNERMAN, OF FLORIDA
JOEL N. FISCHL, OF NEW HAMPSHIRE
GWEN B. LYLE, OF TEXAS
MICHAEL L. MCGEE, OF TENNESSEE

UNITED STATES INFORMATION AGENCY

MARY K. OLIVER, OF ARKANSAS
JOHN ROBERT POST, OF WASHINGTON
JO ANN ELAINE SCANDOLA, OF THE DISTRICT OF COLUMBIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

HELEN D. LEE, OF VIRGINIA
KAREN S. PILMANIS, OF COLORADO
HARRY L. TYNER, OF VIRGINIA

DEPARTMENT OF STATE

MARY EMMA ARNOLD, OF VIRGINIA
JOSEPH ALEXANDER BOSTON III, OF MARYLAND
PAUL DAVID BURKHEAD, OF NEW YORK
BART DAVID COBBS, OF CALIFORNIA
MICHELE ONDAKO CONNELL, OF OHIO
JULIE DAVIS FISHER, OF CALIFORNIA
ELLEN JACQUELINE GERMAIN, OF NEW YORK
TODD C. HOLMSTROM, OF MICHIGAN
WILLIAM M. HOWE, OF ALASKA
BRYAN DAVID HUNT, OF VIRGINIA
SANDRA JEAN INGRAM, OF OHIO
HENRY VICTOR JARDINE, OF VIRGINIA
DAVID ALLAN KATZ, OF CALIFORNIA
JAMES L. LOI, OF CONNECTICUT
VALERIE LYNN, OF COLORADO
MANUEL P. MICALLER, JR., OF CALIFORNIA
KATHERINE ELIZABETH MONAHAN, OF CALIFORNIA
MARK D. MOODY, OF MISSOURI
GEOFFREY PETER NYHART, OF FLORIDA
DANIEL W. PETERS, OF ILLINOIS
CHRISTOPHER TODD ROBINSON, OF PENNSYLVANIA
LORI A. SHOEMAKER, OF TENNESSEE
MICHELE MARIE SIDERS, OF CALIFORNIA
SHAWN KRISTEN THORNE, OF TEXAS
MICHAEL CARL TRULSON, OF CALIFORNIA
GRAHAM L. WEBSTER, OF FLORIDA
BRUCE C. WILSON, OF CALIFORNIA
DAVID JONATHAN WOLFF, OF FLORIDA

UNITED STATES INFORMATION AGENCY

COLLETTE N. CHRISTIAN, OF OREGON
CAROLYN B. GLASSMAN, OF NEVADA
MAUREEN MATTER HOWARD, OF WASHINGTON
PATRICIA KOZLIK KABRA, OF CALIFORNIA
MARYANN MCKAY, OF CALIFORNIA
JEAN T. OLSON, OF FLORIDA
LAURA BAIN PRAMUK, OF COLORADO
ANN N. ROUBACHEWSKY, OF MARYLAND
EDWINA SAGITTO, OF MISSOURI

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF COMMERCE AND STATE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

MARTIN J. AVERSA, OF VIRGINIA
TODD B. AVERY, OF FLORIDA
JOSEPH R. BABB, OF CALIFORNIA
REBECCA M. BALOGH, OF VIRGINIA
ANTHONY THOMAS BEAVER, OF OHIO
MEGAN BEECHAM, OF MARYLAND
LOUIS LAWRENCE BONO, OF NEW YORK
KIRSTEN AILSA LESLIE BROOKS, OF FLORIDA
CHARLES R. BROOME, OF VIRGINIA
EMILY BRUNO, OF PENNSYLVANIA
MICHELLE A. BURTON, OF NORTH DAKOTA
ROBIN BUSSE, OF VIRGINIA
SIGRID NELSON CALANDRA, OF VIRGINIA
MATTHEW VICTOR CASSETTA, OF VIRGINIA
STEVEN M. CORLESS, OF WASHINGTON
WENDY GRACE CROOK, OF OREGON
PHILIP MARTIN CUMMINGS, OF CALIFORNIA
RICK A. DELAMBERT, OF CALIFORNIA
GENE J. DEL BIANCO, OF MASSACHUSETTS
STEVEN E. DE VORE, OF ILLINOIS
JASON ANTHONY DONOVAN, OF TEXAS
WILLIAM ERSKINE DUFF III, OF VIRGINIA
ROBERT NICHOLS FARQUHAR JR., OF OREGON
TERRENCE ROBERT FLYNN, OF MINNESOTA
DANA JANET FRANCIS, OF MASSACHUSETTS
DAN O. FULWILER, OF WASHINGTON
MATTHEW E. GOSHKO, OF MARYLAND
BRIAN EDWARD GREANEY, OF NEW HAMPSHIRE
SARA WHITE HAMILTON, OF MARYLAND
DANIEL ORDWAY HASTINGS, OF CALIFORNIA
ROBERT A. HEM, OF VIRGINIA
MELISSA PRESTON HORWITZ, OF NEW YORK
DAE B. KIM, OF CALIFORNIA
GENE L. KLINE, OF VIRGINIA
GARY KONOP, OF PENNSYLVANIA
JUDY HAIGUANG KUO, OF CALIFORNIA
WENDY RENEE LAURITZEN, OF VIRGINIA
HARVEY W. LAWHORNE, OF VIRGINIA
ANDREA MICHELLE LEWIS, OF FLORIDA
JEFFREY P. LODINSKY, OF NEW YORK
JENNIFER L. LUKAS, OF VIRGINIA
JOHN H. MC CORMICK, OF MARYLAND
PATRICK T. MC NEIL, OF ILLINOIS
SANDRA D. MIED, OF VIRGINIA
MICHELLE BERGET MILLS, OF VIRGINIA
DAVID GEORGE MOSBY, OF ILLINOIS
ANDREW HUANG NISSEN, OF VIRGINIA
LAWRENCE D. OWEN, OF MICHIGAN
NICHOLAS PAPP III, OF FLORIDA
JOSEPH ANTHONY PARENTE, OF NEVADA
BRADLEY SCOTT PARKER, OF CALIFORNIA
ROY ALBERT PERRIN III, OF LOUISIANA
MARCO GLEN PROUTY, OF WASHINGTON
BHASKAR KOLIPAKKAM RAJAH, OF ILLINOIS
ERICA RENEW, OF TEXAS
BENJAMIN A. ROCKWELL, OF ILLINOIS
KENNETH T. ROGERS, OF THE DISTRICT OF COLUMBIA
SUSANNE C. ROSE, OF THE DISTRICT OF COLUMBIA
ELISABETH N. ROSENSTOCK, OF NEW YORK
JOSE K. SANTACANA, OF MASSACHUSETTS
GREGORY P. SEGAS, OF VIRGINIA
PHILIP FRANZ D. SEITZ, OF VIRGINIA
DENISE SHIPMAN, OF PENNSYLVANIA
ALISON MOIRA SHORTER-LAWRENCE, OF VIRGINIA
DANIEL E. SLAVEN, OF ARIZONA
EDITH ARLENE SPRUILL, OF NEW YORK
RHETT D. TAYLOR, OF TEXAS
ANNE MARIE THOMAS, OF VIRGINIA
STACY R. TOWNSLEY, OF VIRGINIA
MICHAEL T. TROJE, OF FLORIDA
MARKO G. VELIKONJA, OF WASHINGTON
JEROME B. WEINFIELD, JR., OF MARYLAND
EDWARD A. WHITE, OF GEORGIA
YVETTA J. WOODBURY, OF VIRGINIA
RICHARD TSUTOMU YONEOKA, OF NEW YORK

EXECUTIVE OFFICE OF THE PRESIDENT

SALLY KATZEN, OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY DIRECTOR FOR MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, VICE G. EDWARD DESEVE.

DEPARTMENT OF COMMERCE

Q. TODD DICKENSON, OF PENNSYLVANIA, TO BE COMMISSIONER OF PATENTS AND TRADEMARKS, VICE BRUCE A. LEHMAN, RESIGNED.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CLIFFORD GREGORY STEWART, OF NEW JERSEY, TO BE GENERAL COUNSEL OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM OF FOUR YEARS. (REAPPOINTMENT)

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

ANTHONY MUSICK, OF VIRGINIA, TO BE CHIEF FINANCIAL OFFICER, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE, VICE DONN HOLT CUNNINGHAME, RESIGNED.

DEPARTMENT OF EDUCATION

MICHAEL COHEN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION, VICE GERALD N. TIROZZI, RESIGNED.

MISSISSIPPI RIVER COMMISSION

MAJOR GENERAL PHILLIP R. ANDERSON, UNITED STATES ARMY, TO BE A MEMBER AND PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION, UNDER THE PROVISIONS OF SECTION 2 OF AN ACT OF CONGRESS, APPROVED JUNE 1879 (21 STAT. 37) (33 USC 642).

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AND ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be lieutenant colonel

MILTON C ABBOTT, 7250
LARRY N. ADAIR, 2261
DONNELL E. ADAMS, 2461
MICHAEL E. ADAMS, 7110
JOE V. ALDAZ, JR., 8011
BRUCE C. ALEXANDER, 2460
DAVID L. ALEXANDER, 2150
FRANK ALI, 5435
BRUCE A. ALLEN, 3155
COURT C. ALLEN, 9839
ROBERT C. ALLEN, JR., 1646
MERRIL J. ALLIGOOD, JR., 3807
JOHN C. ALLISON, 1629
MARK L. ALLRED, 3058
DAVID W. ALLVIN, 9319
MARK B. ALSID, 7727
STEPHEN G. ALSING, 4613
MARK D. ALTENBURG, 5987
ROBERT L. ALTMAN, 5649
DONATO J. ALTOBELLI, JR., 7786
STEVEN L. AMATO, 3340
CURTIS R. AMBLE, 4842
JOHN M. AMIDON, 6371
TRACY A. AMOS, 5047
HUGH A. AMUNDSON, 4244
KELLY E. ANDERSEN, 3642
E WEST ANDERSON, 8549
GARY D. ANDERSON, 9283
JOHN EDWARD ANDERSON, 4926
LYNDON S. ANDERSON, 2593
ROBERT A. ANDRES, 8491
PHILIP R. ANDREWS, 9039
TALENTINO C. ANGELOSANTE, 0233
BILLIE J. ANTES, 9254
CHRISTOPHER M. APPLEBY, 3290
JAMES H. APPLEYARD, JR., 9278
MICHAEL P. ARCENEAUX, 3997
LEE J. ARCHAMBAULT, 4010
GARY B. ARNOLD, 5916
RICHARD W. ARNOLD, 7959
STEVEN J. ARQUIETTE, 9025
WILLIAM W. ARRASMITH, 2855
HUGH W. ARSENAULT, 5265
EDNA E. ARTIS, 7989
HOWARD L. ASHFORD, 2910
BRADLEY K. ASHLEY, 5092
MARK R. ASHPOLE, 2139
VIRGINIA B. ASHPOLE, 0990
ROBERT P. ASHTON, 4760
DAVID C. ASSELIN, 9451
MARK A. AVERY, 0974
JAMES R. AYERS, 1612
BRADLEY E. BABB, 9667
PHILLIP P. BACA, 8072
JEFFREY L. BACHMANN, 4174
DONALD J. BACON, 8241
VALENTINO BAGNANI III, 4635
RICHARD J. BAGNELL, 0351
DAVID L. BAKER, 8302
DAVID T. BAKER, 2540
NORMAN J. BALCHUNAS, JR., 5013
LYNNE E. BALDRIGHI, 1216
JEFFREY K. BALL, 2894
JOE G. BALLARD, 9467
DANIEL F. BALTRUSAITIS, 4010
LENNIE M. BANE, 7278
CARL D. BANER, 2687
RICHARD T. BANKS II, 0634
ROBERT G. BARLOW, 6158
JUDY D. BARNES, 1900
PATRICK BARNES, 4076
RUSSELL C. BARNES, 9162
KEVIN D. BARON, 2198
JAMES A. BARR, 1443
MICHAEL J. BARRETT III, 5009
GARY S. BARRON, 4356
ROBERT K. BARRY, 8980
CHARLES J. BARTLETT, 4800
PAUL K. BARTLETT, JR., 9118
BURT A. BARTLEY, 2827
PETER P. BARTOS, 8558
WILLIAM H. BATEMAN, 9043
THOMAS B. BAUCKMAN, 7263
FRANKLIN W. BAUGH, 5508
BRIAN T. BAXLEY, 5217
KRISTIN D. BEASLEY, 1667
LAWRENCE A. BECKER, 3501
ROBIN E. BECKER, 0713
THOMAS J. BEDNAREK, 4865
KEVIN A. BEEBE, 2935
TERRI C. BEELERSAUCEDO, 3896
SUZANNE M. BEERS, 5387
BENJAMIN W. BEESON, 7878
PAUL T. BEISSER III, 2100
PAUL G. BELL, 4388
HOWARD D. BELOTE, 1905
LISA M. BELUE, 1861
CHRISTOPHER J. BENCE, 5024
NANNETTE BENITEZ, 4754
PAUL V. BENNETT, 5650
RICKEY B. BENNETT, 8354
TERRY R. BENTLEY, 0303
DONALD H. BERCHOFF, 5643
PAUL D. BERG, 1303
THOMAS C. BERG, 2464
WAYNE F. BERG, JR., 7743
WILLIAM J. BERG, 8328
KEITH BERGERON, 7496
THOMAS A. BERGHOFF, 2631
JOHN C. BERRY, 5402
WARREN D. BERRY, 1635
KEVIN T. BETZ, 7346
JAMES BIERSTINE, JR., 5580
DONALD F. BILLARD, 7551
BRUCE S. BISHOP, 1826
JUDITH D. BITTICK, 2431
MARK C. BIWER, 2872
BRIAN M. BJORNSON, 1255
DALE A. BLACKBURN, 5388
RICHARD E. BLACKBURN, 8487
LESLIE A. BLACKHAM, 4530
DANIEL C. BLAETTLER, 9750
HARRY H. BLANKE III, 3937
THOMAS L. BLASE, 4799
MARY A. BLAZEK, 5368
VIRGINIA V. BLAZICKO, 3090
CARL H. BLOCK, 7059
MAX J. BLOOD, 8839
MATHIAS C. BODDICKER, II, 8680
LANCE E. BODINE, 3995
TODD A. BOESDORFER, 6065

MICHAEL F. BONADONNA, 7104
ROBERT G. BONO, 3933
JOHN K. BORLAND, 7201
DANA H. BORN, 3051
KARL S. BOSWORTH, 2772
MICHAEL N. BOUCHER, 3009
ROBERT H. BOULWARE, 2647
JEFFREY B. BOWLES, 2201
HUGH D. BOWMAN, 8129
JAMES C. BOYD, 0442
MARCUS G. BOYETTE, 4058
WILLIAM J. BRANDT, 3736
CHRISTOPHER N. BRANTLEY, 6295
DONALD D. BRATTON, JR., 6315
SHAWN P. BRAUE, 4241
PAUL A. BRAUNBECK, JR, 3452
ANNE E. BRELAND, 7900
ERIC R. BRENKERT, 0038
*ERIN S. BRETT, 2129
MICHAEL D. BRICE, 3724
ELIZABETH J. BRIDGES, 9722
AARON C. BRIDGEWATER, 5191
ROBERT T. BRIGANTIC, 1824
JACK L. BRIGGS, II, 7145
DANIEL C. BRINK, 1509
HARRIS L. BRISBON, 1283
SALLEE A. BRITTON, 4669
JAMES S. BROADWAY, 3515
MONTY L. BROCK, 6695
GREGORY N. BRODMAN, 1910
EDWARD M. BROLIN, 8523
BUD L. BROOKS, 6136
CHRISTOPHER K. BROOKS, 9207
KAREN D. BROOKS, 4638
JAMES L. BROOME, III, 0285
PAUL. B. BROTEN, 7270
FRANCIS M. BROWN, 9788
MARY E. BROWN, 4391
STEVEN M. BROWN, 6405
VIRGINIA G. BROWN, 5653
RAYMOND J. BROYHILL, 8616
RICHARD M.C. BRUBAKER, 5287
SANDRA L. BRUCE, 7495
DANIEL K. BRUNSKOLE, 9197
MICHAEL P. BRYANT, 1663
MARK A. BUCCIGROSSI, 6562
DAVID J. BUCK, 2598
KEVIN W. BUCKLEY, 3900
JOHN G. BULICK, JR, 8538
BRENDA R. BULLARD, 6524
CASSINE JAY P. BULLOCK, 6493
EDWARD J. BURBOL, 8741
ISMAEL BURGOS, JR., 2465
RICHARD J. BURKE, 8775
ROBERTA B. BURKE, 4212
LEE C. BURKETT, 6711
MICHAEL D. BURNES, 6832
DAVID M. BURNS, 9661
DENISE L. BURTON, 7095
PETER L. BUSSA, 8812
ROBERT F. BUSSIAN, 6224
LUIS E. BUSTAMANTE, JR, 2955
JAMES W. BUTTS, 8082
RUDOLPH T. BYRNE, 8378
ANDREW S. CAIN, 1541
SEAN P, CAIN, 3531
LARRY E. CAISON, 2121
LISA C. CAMP, 0102
CRAIG F. CAMPBELL, 0165
RICKY L. CAMPISE, 4160
ROBERT A. CANFIELD, 7431
JOHN E. CANNADAY, III, 8357
LOUIS A. CAPORICCI, 2043
LORRIE J. CAPPELLINO, 7384
ZYNA C. CAPTAIN, 0782
DAVID L. CARLON, 9009
BRIAN L. CARLSEN, 1596
CARL R. CARLSON, 0599
GRANT E. CARLSON, 8715
THOMAS L. CARLSON, 1014
TODD L. CARNAHAN, 9102
DAVID L. CARRAWAY, 2770
RICHARD J. CARRIER, 1102
JAMES J. CARROLL, 0493
GREGORY W. CARSON, 8697
DONALD C. CARTER, 0152
JESSE D. CARTER, 9982
SUE B. CARTER, 2387
THOMAS C. CARTER, 8368
ALLAN R. CASSADY, 7686
PETER H. CASTOR, 1764
RONALD J. CELENTANO, 3645
JAMES J. CHAMBERS, JR, 2540
DAVID W. CHANDLER, 9911
VONDA F. CHANEY, 3006
DENNIS W. CHENEY, 0971
JULIE A. CHESLEY, 2899
BARRY R.J. CHEYNE, 5992
KEVIN T. CHRISTENSEN, 5719
FRANCIS K. CHUN, 7431
STEPHEN A. CILEA, 6401
PETER A. CIPPERLY, 1113
DAN L. CLARK, 9879
JASON L. CLARK, 4520
RICHARD M. CLARK, 5701
WESLEY J. CLARK, 4387
JOHN G. CLARKE, 7572
MARGARET A. CLAYTOR, 9418
KAREN A. CLEARY, 9670
JAMES D. CLIFTON, 0839
WILLARD E. CLITES III, 2926
MARK A. COAN, 6703
WILLARD D. COBLE, 4624
RICHARD J. COCCIE, 0753
WALTER E. COCHRAN, 6773
JAMES M. COHEN, 2920
TRACY W. COLBURN, 8627
LINDA R. COLE, 2713
RAYMOND E. COLLINS, 4196
THERESA L. COLLINS, 3701
JOHN C. COLOMBO, 9112
THOMAS R. COMER, 2388
MAVIS E. COMPAGNO, 3469
JOHN H. COMTOIS, 7538
KATHLEEN O. CONCANNON, 5140
CURTIS C. CONNELL, 0477
MICHAEL P. CONNER, 0094
MICHAEL F. CONNOLLY, 7827
SUSAN B. CONNOR, 3580
JEFFREY P. CONNORS, 3649
KATHLEEN C. CONRAD, 1370
ROBERT S. COOK, 6531
WILLIAM T. COOK, JR., 6914
KENNETH C. COONS, JR., 5973
CHARLES E. COOPER, 8968
PAUL S. COPELAND, 2316
RAYMOND C. CORCORAN, 9894
REBECA F. CORDINGLY, 1407
CHARLES P. CORLEY, 5364
JOAN H. CORNUET, 2101
CHARLES D. CORPMAN, 4247
JOHN F. CORRIGAN, 7649
COLIN B. COSGROVE, JR., 9864
JOHN F. COSTA, JR., 3604
GERALD R. COSTELLO, 4607
FRANCIS COX, 1298
KEVIN S. COX, 2847
KIMBERLY S. COX, 0269
SUSAN A. COX, 0809
MATTHEW L. CRABBE, 0771
PHYLLIS KAY CRAFT, 0570
ROBERT L. CRAIG, 0334
RODNEY L. CROSLEN, 4041
THOMAS G. CROSSAN, JR., 4456
MICHAEL P. CROWLEY, 6093
SHANNON B. CROWLEY, 2456
CRAIG A. CROXTON, 1424
JESSE K. CRUMP, 2187
ROBERT E. CRUZ, 6890
MICHAEL T. CULHANE, 9403
ROBERT J. CULHANE, 6132
PATRICK E. CUMMINS, 5355
JENNIFER D. CUNNINGHAM, 5330
GERALD D. CURRY, 6009
JAMES M. CURTIS, 0036
RANDY K. CURTIS, 6661
ROBERT L. CUSHING, JR., 1984
BRIAN P. CUTTS, 0486
WALTER CYKTICH, JR., 4663
TERRI J. CZENKUS, 6974
MARK R. DAGGITT, 5954
LINDA J. DAHL, 1136
DENNIS E. DALEY, 6087
DOUGLAS H. DALSOGLIO, 1354
RAYMOND T. DALY, JR., 1934
KEVIN B. DAMATO, 8094
DONNA L. DANIELSON, 2079
JAMES R. DARBY III, 9237
DOUGLAS W. DAUER, 7078
THOMAS P. DAVENPORT, 1112
KENNETH J. DAVID, 6007
PETER D. DAVIDSON, 4024
WILLIAM T. DAVIDSON, 2858
DONNIE G. DAVIS, JR., 3467
KIMBERLY A. DAVIS, 1661
MARK L. DAVIS, 7723
MICHAEL D. DAVIS, 8463
ROBIN DAVIS, 1867
SHUGATO S. DAVIS, 8294
STEVEN TODD DAVIS, 5893
LILI D. DAWIDOWICZ, 3853
STEVEN O. DAWSON, 6400
KATHYRN A. DAY, 6046
RONALD J. DEAK, 7778
JAMES W. DEAN, 4798
JOHN F. DEAN, JR., 5424
MARY K. DEATHERAGE, 9732
MICHAEL V. DEATON, 7031
LAURIE A. DEGARMO, 8009
KEVIN D. DEGNAN, 6736
MICHAEL P. DEGREEF, 1940
GUS W. DEIBNER, 2278
MARKUS R. DEITERS, 7458
WILLIAM G. DEKEMPER, 2144
DENIS P. DELANEY, 1631
WILLIAM P. DELANEY, 8746
THOMAS DELAROSA, 9759
STEPHEN J. DELLIES, 6418
ANNE C. DEMENT, 9895
SCOTT L. DENNIS, 8071
PAUL DENNO, 4518
DAVID M. DENOFRIO, 9174
LEE K. DEPALO, 5908
LEE E. DEREMER, 5574
JAMES L. DEW, JR, 3722
DEBRA A. DEXTER, 6523
KIRK R. DICKENSON, 0331
JAMES R. DICKERSON, 3113
MICHAEL R. DICKEY, 7524
MARK C. DILLON, 8154
JON C. DITTMER, 1029
KATHLEEN T. DOBY, 0286
GREG R. DODSON, 5421
ELAINE R. DOHERTY, 6569
ARDEN L. DOHMAN, 6158
THOMAS J. DOLNEY, 7764
ROBERT A. DOMINGUEZ, 4561
JOHN T. DONESKI, 1504
JOHN F. DONNELLY, 8710
CHRIS E. DONOVAN, 5319
JOHN A. DORIAN, 9654
CHARLES S. DORSEY, 4834
EDWARD K. DOSKOCZ, 6262
JOHN W. DOUCETTE, 1645
SAMUEL R. DOUGLAS, 7736
PAUL E. DOWDEN, 9848
MARIA J. DOWLING, 6703
BENJAMIN H. DOWNING, 2611
*KONNIE M. DOYLE, 5731
GREGORY F. DRAGOO, 9495
JOHN D. DRIESSNACK, 1058
WILLIAM A. DRUSCHEL, 6422
SCOTT C. DUDLEY, 2442
SEAN P. DUFFY, 1426
DENISE DUMAS, 4027
MARY E. DUNCAN, 5955
RONALD L. DUNIC, 5138
DIEP N. DUONG, 8067
THEOPHILE DUPLECHAIN, JR, 2508
THOMAS L. DUQUETTE, 2430
JON A. DURESKY, 3882
DARREN P. DURKEE, 5258
DAVID J. DUVALL, 5741
MICHAEL S. DUVALL, 1594
GREGORY M. DZOBA, 1758
THOMAS J. EANNARINO, 0170
ERIC M. EARNEST, 5165
DAVID J. EASTMAN, 2588
LINDA L. EBLING, 2898
ROBERT J. EGBERT, 2176
GERARD W. EGEL, 6353
RANDY D. EIDE, 4023
CRAIG A. EIDMAN, 1664
ANGELO B. EILAND, 3103
RICHARD C. EINSTMAN, 8796
ASHLEY S. ELDER, 5662
JAMES M. ELDRIDGE, JR, 9294
NEIL R. ELTON, 0861
BRUCE C. EMIG, 2707
RANDALL M. EMMERT, JR, 0171
MARK D. ENGEMAN, 2868
JON L. ENGLE, 3704
ROBERT S. ENGLEHART, 4928
CHARLES M. ENNIS, JR, 8734
DAVID ENNIS, 4261
ARNEL B. ENRIQUEZ, 5790
DAVID A. ERCHINGER, 9385
LESLIE D. ERICKSON, 3710
MARK S. ERICKSON, 4138
TERESE A. ERICKSON, 2852
KAREN G. EVERS, 8670
DEBORAH Y. EVES, 4722
WALTER G. FARRAR, III, 8838
VINCENT M. FARRELL, 5787
DONALD G. FARRIS, 2673
MICHAEL A. FATONE, 0156
DANIEL C. FAVORITE, 9385
JAMES V. FAVRET, 6077
DAVID A. FEEHS, 9861
RICHARD W. FEESER, 2373
DOUGLAS H. FEHRMANN, 6813
JOSEPH B. FENTRESS, 7471
DANIEL R. FERNANDEZ, 7880
KENNETH H. FIELDING, 6718
FRANK E. FIELDS, 7280
EDWARD A. FIENGA, 8302
DANIEL L. FIGUEROA, 9873
DAVID A. FILIPPINI, 3318
HERBERT J. FINCH, 2999
KENNETH J. FISCHER, 5955
CRAIG H. FISHER, 7535
EDWARD L. FISHER, 5251
GREGORY L. FISHER, 6576
STEPHEN M. FISHER, 5935
TIMOTHY E. FISK, 5362
CLIFFORD B. FITTS, 3232
JOHN H. FLETCHER, 7434
DIANA R. FLORES, 7225
STEVEN W. FLOWERS, 8181
DAVID J. FOELKER, 3605
DANIEL T. FOGARTY, 0130
BRIAN R. FOLEY, 9424
CHARLES M. FOLSOM, 7540
DOUGLAS C. FORBES, 7646
NORMAN J. FORBES, 8033
MARK S. FORESTER, 9683
JAMES F. FORREST, 8978
JOHN K. FORSYTHE, JR., 1162
DEBORAH A. FORT, 9389
CINDY L. FOSSUM, 3158
JOSEPH FOSTER, 9270
BOBBY G. FOWLER, JR., 4705
KEVIN J. FOWLER, 9661
TIMOTHY J. FOWLER, 8923
DEAN G. FOX, 0084
ERIC EDWARD FOX, 9711
BRUCE D. FRANK, 5831
DONALD A. FRANKENBERRY, 7417
HOLLY R. FRANZ, 8488
JOHN H. FRANZ, 4269
MARK C. FRASSINELLI, 9720
DAVID C. FRAZEE, 2904
KEITH D. FREDE, 3414
BARRY A. FREDERICK, 6277
TIM B. FREEMAN, 6686
PATRICIA ANN FREEMANFORD, 4144
KARL L. FREERKS, 2365
GERALD J. FRISBEE, 7219
JACKIE D. FRISBYGRIFFIN, 2013
PATRICK E. FROST, 0314
ROY H. FUKUOKA, 4756
CLAUDE V. FULLER, JR., 8072
DONALD J. GALE, 8205
BRYAN J. GALLAGHER, 7657
MARK A. GALLAGHER, 5571
RONALD J. GARAN, JR., 9409
SCOTT R. GARDNER, 5133
WONZIE L. GARDNER, JR., 5452
ROBERT F. GASS, 8341
DANIEL J. GATES II, 5448
RICHARD W. GATES, 3367
SANDRA E. GATEWOOD, 4649
KERMIT J. GETZ, 6301
JAMES F. GEURTS, 5867
DAVID C. GEUTING, 4018
DAVID S. GIBSON, 3502
RANDY L. GIBSON, 4000
JAMES M. GIESKEN, 5387
ROBERT C. GIFT, 8867
DENISE L. GILLEN, 3574
WILLIAM S. GILLEY, 7074
DAVID S. GILMORE, 1174
THERESA GIORLANDO, 4025
FREDERICK M. GIRBERT, 5124
ALAN G. GLODOWSKI, 2959
DAVID M. GLOGOWSKI, 5731
JOHN E. GOCHENAUR, 9744
RICHARD A. GODDARD, 9545
JAMES D. GODWIN, 5824
THOMAS W. GOFFUS, 4627
TERRY L. GOLD, 0411
LIESEL A. GOLDEN, 6789
FRANCINE P. GOODE, 6209
JOHN T. GOODE, 2910
GERALD S. GORMAN, 8077
MARK N. GOSE, 0768
PATRICK A. GOULD, 9799
WAYNE E. GRACHEK, JR., 7040
LARRY M. GRANT, 1126
MARION R. GRAVELY III, 6800
DAVID L. GRAVES, 1982
MICHAEL R. GRAY, 1315
WILLIAM R. GRAY III, 9824
THOMAS A. GREALISH, 5261
DANIEL J. GREEN, 1864
TIMOTHY S. GREEN, 2100
SOCRATES L. GREENE, 1669
JAMES M. GREER, JR., 2585
AMY M. GRIESE, 6983
JOYCE L. GRIM, 7330
DANIEL G. GROESCHEN, 3158
VIRGIL A. GROGEAN II, 3670
HARRY N. GROSS, 2529
PAUL A. GROVEN, 5199
ELIZABETH M. GRUDZINSKI, 4471
TIMOTHY A. GUIDEN, 2654
MICHAEL J. GUIDRY, 1268
JAMES P. GUINAN, 8732
DANA L. GUNTER, 5053
ERIC V. GUNZINGER, 1769
RANDALL H. GUPTON, 2843
MICK R. GUTHALS, 0143
GARY M. GUTOWSKY, 3462
ROBERT L. HAASE, JR., 8298
DANIEL V. HACKMAN, 5293
MICHAEL D. HAEFNER, 5741
JEFF L. HAGENS, 8687
DEAH T. HAGMAIER, 2185
JAMES C. HAHN, 9374
CHRIS E. HAIR, 5875
MARVIN C. HAIRE, 6869
KATHRYN E. HALL, 3098
PAMELA J. HALL, 9722
SUSAN R. HALL, 2695
THOMAS J. HALL, II, 1805
DAVID C. HAM, 3065
JOHN J. HAMBEL, 1159
STEVEN E. HAMMOCK, 7152
BRUCE A. HANESSIAN, 4243
JERROLD J. HANNA, 2323
JAMES L. HANNON, 2658
THOMAS M. HARKENRIDER, 4178
BRUCE F. HARMON, 4810
JOSEPH F. HARMON, JR, 3554
JOSEPH H. HARRELL, 0422
BRIAN D. HARRIETT, 9950
JEFFREY L. HARRIGIAN, 4567
CHARLES H. HARRIS, JR, 3099
DAVID A. HARRIS, 3197
JACKSON S. HARRIS, JR, 3726
JERRY D. HARRIS, JR, 1987
JOHN D. HARRIS, 9984
RAY P. HARRIS, 5356
ROBERT HARRIS, 8744
WILLIAM S. HARRIS, 2868
JOHN C. HARRISON, 7265
JAMES A. HARROLD, 3064
JACQUELINE C. R. HARRY, 6346
DAVID E. HARSHMAN, 2563
EDWARD R. HARTMAN, 8392
PAUL G. HARTMAN, 4262
RICHARD W. HARTMAN, 3367
ROBERT J. HARTNETT, JR, 3911
*MICHAEL C. HARTZELL, 8292
TINA M. HARVEY, 9646
ROGER A. HARVILLE, 0621
MARK R. HASARA, 9249
MICHAEL R. HASS, 9594
ARTHUR G. HATCHER, JR, 4963
BRENDA A. HAVEN, 0249
ANGELO T. HAYGOOD, 8892
ROBERT L. HEAD, JR, 9756
THOMAS Y. HEADEN, 6559
LAURIE S. HEALY, 6625
SEAN V. HEATHERMAN, 4100
JOEL C. HECK, 5714
KEITH L. HEDGEPETH, 7338
BART H. HEDLEY, 7506
MARK A. HEDMAN, 7136
WARD E. HEINKE, 3497
JULIE A. HEITZMAN, 9391
LENORE M. HEMINGWAY, 9313
MICHAEL G. HEMLER, 4253
ANTHONY L. HENDERSON, 6443
DAVID E. HENDERSON, 9315
JAMES L. HENDERSON, 6872
SCOTT A. HENDERSON, 4789
GEORGE M. HENKEL, 2456
KIRSCHBAUM JOANNE HENKENIUS, 9942
PAUL R. HENNING, 7683
EUGENE H. HENRY, 0413
KEVIN M. HENRY, 1290
MICHAEL W. HENRY, 5919
JOHN J. HEPNER, 8184
SHARON M. HERMAN, 2702
MICHAEL F. HERMSEN, 9501
BRADLEY P. HERREMANS, 6915
SHERRY A. HERRERA, 3961
MARK S. HERSHMAN, 8602
GARY D. HETLAND, 2425
BRUCE E. HEYLMUN, 8995
ROLLINS G. HICKMAN, 7443
KYLE E. HICKS, 7519
MANUEL A. HIDALGO, 3425
MELISSA A. HIGGINBOTHAM, 2829
JOHN R. HIGGS, JR, 9708
DOUGLAS D. HIGH, 5702
JOHN T. HILDEN, 7933
CHRISTINE O. HILL, 0003
DOUGLAS E. HILL, 3491
JOEL H. HILL, 2908
NORAH H. HILL, 8295
RAYMOND R. HILL, JR, 9225
ROBERT L. HINKLE, 1629
DONALD P. HINKSON, 8434
DONALD W. HINTON, 6695
GREGORY H. HINTON, 3513
SUSAN E. HIRST, 4828
MICKIE S. HO, 2037
CLEOPHAS S. HOCKADAY, JR, 5491
RICHARD E. HOEFERKAMP, 8539
JEFFREY A. HOFFER, 4694
GREGORY J. HOFFMAN, 3997
ROBERT K. HOFFMANN, 4011
KENNETH E. HOGAN, 9505
WILLIAM E. HOGAN, 8411
RICHARD A. HOLCOMB, 5381
MELVIN A. HOLLAND, III, 8922
KIRBY R. HOLMES, 2772
*BARBARA J. HOLMSTEDTMARK, 1155
DAVID L. HOLT, 0302
MICHAEL A. HOMAN, 5201
GARY L. HOPPER, 0911
STEVEN L. HOPPER, 2943
LELAND R. HOPSON, 8738
DANIEL J. HORACK, 0094
GEORGE S. HORAN, 3619
ANNE T. HOUSEAL, 2776
MICHAEL J. HOUSEHOLDER, 4437
RICHARD K. HOUSTON, 4040
RALPH D. HOWARD, 6579
MARILYN H. HOWE, 2797
JAMES E. HUBBARD, 1604
JEFFREY A. HUBBARD, 2459
JAMES A. HUBERT, 6690
LINDA K. HUGGLER, 7924
BRIAN D. HUIZENGA, 2191
BENJAMIN J. HULSEY III, 2093
JEFFERY A. HUNT, 0055
ERIC C. HUPPERT, 6269
DAVID M. HUSBAND, 0689
STEPHEN L. HUTCHENS, 0329
OTTIS L. HUTCHINSON, JR., 6544
JAMES M. HUTTO, 2816
JEFFREY J. INGALLS, 3009
JOHN R. INGHAM, 9468
KAREN A. INSKEEP, 6221
DON C. IRWIN, 7213
TROY V. IRWIN, 4476
STEVEN M. ISENHOUR, 8447
EILEEN M. ISOLA, 5904
MARK E. ISRAELITT, 2322
ARMAND G. IZZO, 8163
KEVIN E. JACKSON, 4269
TIMOTHY M. JACOBS, 4777
JAY A. JACOBSON, 5786
THOMAS E. JACOBSON, 5531
WILLIAM J. JACOBY, III, 1867
DAVID R. JACQUES, 7433
LISA A. JACQUES, 4128
THOMAS A. JAEGER, 9284
*MICHAEL JAENSCH, 4952
RONALD J. JAKOVAC, 1967
ALLEN J. JAMERSON, 5167
DEREK D. JAQUISH, 0368
*DEWEY W. JENKINS, JR., 8501
ERIC R. JENKINS, 2615
GEORGE R. JENKINS, 7185
ROBERT Q. JENKINS, 8229
STEVEN S. JENKINS, 6187
MARK L. JENNER, 1115
THOMAS W. JENSEN, 4899
JAMES W. JERNIGAN, 3624
HERMAN O. JETT, 6235
DAVID D. JIVIDEN, 8756
DAVID L. JOHANSEN, 6470
BRENT A. JOHNSON, 0237
BRIAN L. JOHNSON, 5575
EUGENE O. JOHNSON, JR., 1598
GREGORY GENE JOHNSON, 0683
GREGORY H. JOHNSON, 5217
JON E. JOHNSON, 7853
KARL B. JOHNSON, 7513
MILTON W. JOHNSON, 4375
RICHARD T. JOHNSON, 8846
SUSAN J. JOHNSON, 6476
TERRY L. JOHNSON, 4862
DOUGLAS L. JOHNSTON, 1175
CHRISTOPHER A. JONES, 3748
DAVID L. JONES, 6334
DRUSSELL B. JONES, 0229
FRANK E. JONES, 7071
JACK L. JONES, 5982
NATHAN H. JONES, 7065
STEPHEN R. JONES, 8405
THOMAS A. JONES, 0617
MICHAEL JOY, 4087
PAUL R. JOYCE, 1739
SETH M. JUNKINS, 4505
BRIAN J. JURKOVAC, 0555
KURT J. KAISLER, 6939
THOMAS A. KALDENBERG, 6004
JAMES D. KANABAY, JR., 2066
GERARD F. KANE, 8537
REBECCA A. KANTER, 1869
BYRON J. KAPPES, 0428
LAURA M. KARANOVICH, 0230
JAMES R. KASMER, 0243
ROBERT A. KAUCIC, JR., 8520
EDWARD KEEGAN, 9529
ROBERT L. KEITH, 8844
STEVEN E. KEITH, 4571
JULIE I R. KELLER, 4441
RICHARD C. KELLOGG, 2221

ERIC D. KELLY, 5872
JAMES M. KELLY, 8986
FRED C. KELSEY, 1021
DOUGLAS L. KENDALL, 0039
JAMES M. KENDLER, 4763
MICHAEL W. KENNEDY, 0682
VAN D. KEPLEY, JR., 2379
JERRY D. KERBY, 8977
BART R. KESSLER, 2362
THOMAS R. KETTLER, 7245
KENNETH V. KIBURIS, 8914
*JOHN A. KILDEW, 6860
MICAH E. KILLION, 4484
MAURICE L. KILPATRICK, JR., 3625
STEVEN A. KIMBRELL, 5939
ANITA M KING, 7133
EDMUND T. KING II, 7906
EDWARD R. KING, 8239
ROBERT W. KING, 3247
KAREN J. KINLIN, 1459
SHEILA M. KINTY, 2017
KEVIN R. KIRKPATRICK, 9525
MICHAEL R. KIRPES, 6397
ANTHONY T. KITT, 8820
DENNIS K. KITTERMAN, 3601
ERIC A. KIVI, 6864
GARY W. KLABUNDE, 7600
TERRY D. KLINE, 7553
EDWARD J. KLINENBERG, 4987
STEPHEN S. KMIECIK, 5253
RICHARD P. KOEPKE, 3879
BETH Y. KOHSIN, 9234
WILLIAM A. KOLAKOWSKI, 1656
KEITH E. KOLEKOFSKI, JR., 1372
JEFFREY A. KOONZ, 7125
PHILIP L. KOPPA, 8738
JOHN M. KORLASKE, 3171
RICHARD A. KOSANKE, 8711
STEVEN T. KOTAN, 5395
DIANE L. KOVACH, 7107
STEWART J. KOWALL, 3052
MARK D. KRAMER, 9638
PAUL A. KRAUSE, 6393
MICHAEL V. KRAUT, 8104
JOHN H. KRESEK, JR., 9658
WOLFGANG K. KRESSIN, 2968
THOMAS W. KRISE, 9990
MARK S. KROSS, 6501
JOHN C. KRUEGER, 8418
DANA C. KUECKER, 0821
DAVID E. KUGLER, 3779
KARL W. KUSCHNER, 8519
GARY R. KUWASHIMA, 7194
KURT R. KUZNICZCI, 1331
ROBBY A. KYROUAC, 4254
THOMAS P. LACOMBE, 4625
THOMAS M. LAFFEY, 4018
ANDREW D. LAGRONE, 0498
ROBERT A. LALA, 7900
JOHN D. LALUMIA, 9059
RAYMOND E. LAMARCHE, JR., 0944
MICHAEL A. LAMBERT, 2634
SCOTT V. LANDIS, 6849
PHILLIP T. LANMAN, 0564
WILSON DAVIS LANNOM, JR., 4588
FRANK H. LARA, 0130
MARK J. LAROSE, 4826
BRUCE A. LARSEN, 4828
DAVID M. LARSON, 3653
DEBORAH L. LARY, 8239
STEPHEN LATCHFORD, 0353
ANITA E. LATIN, 4483
STUART T. LATTA, 9342
JOHN W. LAVIOLETTE, 0077
THOMAS J. LAWHEAD, JR., 0699
NAOMI T. LAWLESS, 1775
ROBERT G. LAWS, 1913
GREGORY E. LAXTON, 6637
PETER C. LEAHY, 0816
TIMOTHY J. LEAHY, 8014
PATRICK G. LEE, 6483
RONALD A. LEE, 9980
JOHN D. LEEZER, 8950
RANDY J. LEFEVRE, 5251
SCOTT J. LEMPE, 4193
BABETTE M. LENFANT, 2813
MARIACRISTINA C. LEONE, 5445
NATHAN A. LEPPER, 2910
MARK W. LEVSKY, 3683
JEFFREY L. LEWIS, 4461
PAULA A. LEWIS, 7388
THEODORE P. LEWIS, 4292
DARCY L. LILLEY, 1219
SOLEDAD LINDOMOON, 3245
MARK W. LINDSEY, 5220
LANCE J. LINDSLEY, 2406
PETER E. LINNEMANN, 1832
JOHN LIPINSKI, 0062
RAUL A. LIRA, JR., 5892
SCOTT C. LOCKARD, 6333
RANDALL L. LONG, 9669
WAYNE D. LOOSBROCK, 0872
ADELAIDA LOPEZ, 1589
MARK J. LORENZ, 3751
JOHN E. LOSCHIAVO, 2782
JAMES A. LOTT, 9280
MICHAEL G. LOUGHLIN, 1023
CATHERINE T. LOVELADY, 2862
WYLIE E. LOVELADY III, 7194
ANDRE L. LOVETT, 5775
RAY DON LOWE II, 0164
JEFFREY D. LOWERY, 8047
RONALD P. LOWTHER, 0040
EDWARD W. LOXTERKAMP, 1208
JOSEPH R. LUBIC, 3178
DAVID E. LUCIA, 7043
LOUISE M. LUNDVAA, 1708
ROALD F. LUTZ, 2229
STEPHEN P. LUXION, 2045
CHRISTOPHER H. LYONS, 6383
DOUGLAS J. LYPEK, 2817
BRIAN D. MAAS, 5502
ROBERT J. MAC DONALD, 5246
PATRIVA V. MACK, 5840
S. THOMPSON MAC KENZIE, 5303
KRISTIAN G. MACKEY, 6078
KEMMIT C. MAC LEAN, 2194
BARRY S. MAC NEILL, 7119
BRIAN MAGAZU, 7078
DONALD J. MAGEE, 1121
WILLIAM J. MAHONY, JR., 8636
ROBERT W. MAHOOD, 8411
KARL B. MAJOR, 1743
MYRON V. MAJORS, 9384
JERALD T. MALLERNEE, 7404
RICHARD L. MALLICK, 3134
CHRISTOPHER R. MALOY, 7137
FILEMON S. MANANSALA, 0487
KATHRYN S. MANCHESTER, 9512
MARK A. MANEELY, 6116
JAMES E. MANKER, JR., 1962
MARK T. MANNEY, 6298
CHARLES A. MANSHIP II, 6931
WALTER B. MANWILL, 0597
HOWARD K. MARDIS, 9065
JAMES R. MARRS, 9957
NATHAN W. MARTENS, 6410
JAMES F. MARTIN, JR., 3909
LAWRENCE M. MARTIN, JR., 3752
LESLIE C. MARTIN, 8492
RONALD G. MARTIN, 2649
STEVEN W. MARTIN, 2153
DAVID W. MARTINEZ, 6413
GLEN S. MARUMOTO, 2838
JAMES K. MASON, 7547
SHARI L. MASSENGALE, 0955
STEPHEN M. MATECHIK, 2386
ERIC S. MATHEWSON, 7288
DONALD F. MATTNER, JR., 9804
JUAN M. MAURTUA, 6443
KATHY L. MAXWELL, 0702
DANITA C. MC ALLISTER, 0961
EVERETT B. MC ALLISTER, 7507
GARY D. MC ALUM, 2492
PATRICK W. MC ANDREWS, 2228
PETER M. MC CABE, 1957
JOHN M. MC CAIN, 6556
RANDY MC CANNE, 3119
MICHAEL J. MC CARTHY, 2100
JAMES E. MC CLAIN, 7589
JOSEPH S. MC CLAIN, 3540
DAVID B. MC CORMICK, 0294
TIMOTHY R. MC CORMICK, 0996
CLEVELAND R. MC CRAY, 8139
CARLOS L. MC DADE, 2591
CARL E. MC DANIEL, JR., 2951
LOUIS N. MC DONALD III, 4321
GUY W. MC GEE, 5773
MICHAEL B. MC GEE, JR., 1982
TERESA M. MC GONAGILL, 4903
DONALD A. MC GOUGH, JR., 9962
MAURA THERESA MC GOWAN, 7519
JOSEPH H. MC GUGAN, 6825
LAWRENCE J. MC GUIN, 0368
TIMOTHY J. MC ILHENNY, 1504
FRANCIS L. MC ILWAIN, JR., 6180
BRIAN K. MC INTOSH, 5042
JANET E. MC INTOSH, 5309
PAUL D. MC INTOSH, 0199
STEPHEN M. MC INTYRE, 2606
TIMOTHY P. MC INTYRE, 0293
MICHAEL V. MC KELVEY, 4890
MATTHEW P. MC KEON, 4528
CHRISTOPHER M. MC LAUGHLIN, 9574
JOHN A. MC LAUGHLIN, JR., 1870
MONTE C. MC MEANS, 2196
*SARAH P. MC MENAMIN, 2736
ROY D. MC MICKELL, JR., 2936
ROBERT H. MC MILLAN III, 0428
ROBERT D. MC MURRY, JR., 4300
SEAN T. MC NAMARA, 7238
RICHARD G. MC SPADDEN, JR., 8766
WILSON G. MC WHIRTER III, 8679
LINDA R. MEDLER, 9295
SCOTT D. MEISINGER, 7761
STEPHAN J. MELITZ, 0806
GREGORY L. MELTON, 6536
MARK A. MELVILLE, 3224
MICHAEL R. MENDONCA, 5108
ANN E. MERCER, 7698
STEVEN J. MERRILL, 0088
DONALD C. MERTZ, JR., 4090
DARRYL C. METZ, 9337
DANIEL D. MEYER, 2880
EDWARD F. MEYER, 1820
JEFFREY W. MEYER, 3945
RICHARD E. MEYER, 1161
RONALD J. MIKRUT, 4816
JAMES D. MILBURN, 6293
CHARLES B. MILLER, 8367
CYNTHIA L. MILLER, 2403
DOUGLAS W. MILLER, 9985
JAMES C. MILLER, 5917
MIKEL M. MILLER, 3058
RANDOLPH P. MILLER, 4327
RICHARD C. MILLER, 7375
THOMAS J. MILLER, 0901
MICHAEL K.J. MILLIGAN, 7260
ARTHUR G. MILLS, 8230
DIANE M. MILLS, 3421
ROBERT F. MILLS, 7813
ERNEST M. MILTON, 5779
EDWARD M. MINAHAN, 4745
STEPHEN L. MITCHELL, 5823
SUSAN E. MITCHELL, 5711
WILLIAM L. MITCHELL, 6990
ZANE W. MITCHELL, JR., 2939
EUGENE W. MITTUCH, 0438
MATTHEW H. MOLLOY, 5555
JEFFREY M. MOODY, 6305
JAMES M. MOORE, 7752
LARRY B. MOORE, 4655
SCOTT W. MOORE, 0904
STEVEN G. MOORE, 0553
TIMOTHY S. MOORE, 1305
WILLIAM A. MOORE, 9174
LUIS F. MORALES, 6754
ROBERT E. MORIARTY, 9371
DANIEL P. MORIN, 6627
ANNE R. MORRIS, 2193
KAREN P. MORRIS, 8159
MICHAEL F. MORRIS, 3611
GARY P. MORRISON, 9410
DAVID L. MORROW, 8238
PATRICIA G. MOSELEY, 1300
WILLIAM A. MOSS, 4641
URSULA P. MOUL, 1377
JAMES C. MOULTON, 2302
MARK W. MOUW, 0039
PATRICK O. MOYLAN, 8061
RONALD J. MOZZILLO, 3341
MICHAEL R. MUELLER, 4494
MARK D. MULLEN, 6710
BARRY E. MULLINS, 7828
RICHARD F. MUNSELL, 3209
TRACY M. MURAKAMI, 7637
KEVIN M. MURPHY, 8409
TIMOTHY W. MURPHY, 8556
BRIAN K. MURRAY, 5336
JEFFREY M. MURRAY, 4047
PATRICK H. MURRAY, 4123
EDEN J. MURRIE, 3050
BARBARA L. MYERS, 3394
BROOKS A. MYERS, 5717
RICHARD R. NEEL, 9579
MICHAEL L. NEELEY, 6068
THERESE M. NEELY, 4956
JAMES B. NEES, 6678
GEORGE J. NELSON, JR., 4644
JULIA E. NELSON, 1283
MARY S. NELSON, 9966
JEFFREY L. NEUBERGER, 9471
VISHNU V. NEVREKAR, 0494
JOHN F. NEWELL III, 4484
MATTHEW P. NEWMAN, 6913
JOSEPH W. NICHOLS, 5351
STUART O. NICHOLS, 8152
PHILIP G. NICHOLSON, 1481
DAVID A. NICKELS, 5805
CLARA L. NIELSEN, 1614
STEPHEN J. NIEMANTSVERDRIET, 9509
LAWRENCE J. NIKOLAUS, 2746
WESLEY L. NOLDEN II, 5388
BRIAN S. NORMAN, 7704
CYNTHIA L.A. NORMAN, 8167
JON A. NORMAN, 5805
CLETUS G. NORRIS, 5461
JAN A. NORTH, 3440
KEVIN W. NORTON, 3744
JAMES R. NORWOOD, 2247
STEVEN R. NOTTOLI, 1050
MARK C. NOWLAND, 7372
KEVIN W. OATLEY, 0121
CHARLES E. O'BRIEN, 6724
EDWARD P. O'CONNELL, 4780
MAURICE T. O'DONNELL, 9298
DONALD E. OFFILL, 1928
JAMES H. OGDEN, 7252
TERENCE N. OHERON, 0645
PAUL M. OLDE, 2949
ROBERT I. OLSON, 7604
TIMOTHY A. OLSON, 9533
ROBERT C. O'NEAL, 4435
ELAINE ORABONA, 9807
VIRGINIA A. ORR, 8559
ROBERT L. ORWIG, JR., 0179
PHILLIP L. OSBORNE, 8548
TERRENCE J. O'SHAUGHNESSY, JR., 3181
BRADLEY D. OSWALT, 4364
WILLIAM F. OVERBEY, JR., 8760
KELLY J. OWENS, 5625
MARC E. OWENS, 7587
JOSEPH G. PACHECO, 8999
DUANE A. PADRICK, 7240
LEON D. PAGE, SR., 8754
WILLIAM J. PALIWODA, 9957
NORMAN H. PALLISTER, 7056
MARGUERITE J. PALMER, 3679
ROBERT C. PALMER, 8554
GUY M. PALUMBO, 2854
ROBERT E. PANNONE, JR., 0897
RONALD B. PANTING, 6684
GLEN J. PAPPAS, 8776
ORLANDO J. PAPUCCI, 8352
JAMES E. PARKER, 9392
MICHAEL K. PARKER, 7008
MONTE R. PARKER, 0444
VICTOR F. PARKER, 2875
JOHN B. PARKES III, 8241
ANTHONY T. PARLATI, 6102
DAVID R. PATTERSON, 9635
JACK D. PATTERSON, 9193
SPENCER H. PATTERSON, JR., 6477
ERIC M. PAULSON, 5371
GEORGE L. PAVELKO, JR., 5512
JONATHON S. PAYNE, 3326
DAVID W. PEAIRE, 4791
BRADLEY J. PEARSON, 8593
ALEX S. PEAT, 5658
MICHAEL W. PEEL, 0116
PATRICK E. PENCE, 0240
DAVID C. PENNY, 8847
PHILIP E. PEPPERL, 9432
JOHN J. PERICAS, 7629
GREGORY M. PERKINSON, 5001
GARY R. PERRY, 6478
JENNIFER HANSELL PERRY, 4221
LAWRENCE J. PETER, 0117
EUGENE G. PETERSON, JR., 0104
MARK R. PETERSON, 1696
DAVID PETRILLO, 0140
HANS J. PETRY, 2520
WILLIAM G. PFEIFFER, JR., 1578
KURT P. PFITZNER, 2624
DAVID D. PHILLIPS, JR., 2898
DON E. PHILLIPS, 3997
GARY E. PHILLIPS, JR., 2921
RONALD B. PHIPPS, 2993
RONALD H. PICKETT, 6859
CHARLES K. PIGG, 8784
ALAN J. PINEAULT, 8592
JOHN P. PINO, 9708
CURTIS O. PIONTKOWSKY, 3065
*GARY F. PIPER, 4797
STEVE E. PITCHER, 0972
LEE PLOWDEN, 4231
MARK A. POHLMEIER, 4272
TODD J. POLLARD, 3382
JOHN D. POLLEY, 6848
CHRISTOPHER J. POOCK, 1329
TIMOTHY G. POOLE, 6190
PATRICIA L. POPPINO, 5154
CHARLES E. POTTER, 8351
RONALD K. POWELL, JR., 8821
DONNA L. POWERS, 5367
WINSTON D. POWERS, 4717
MARK R. PRICE, 5843
PAUL A. PRICE, 5152
PHILIP J. PRICE, 6496
JOSEPH J. PRIDOTKAS, 7751
ELEGEAR J. PRIMUS, 0260
MICHAEL E. PRIVETTE, 4629
DENISE M. PROCTOR, 5638
JOSEPH F. PUGLIESE, 6813
PETER PUHEK, 8271
JAMES R. PULLIAM, 4952
SCOTT T. PURDIE, 2624
ROBERT A. PURKHISER, 4425
STEVEN O. PURTLE, 6909
JOHN C. PYRYT, 2811
WILLIAM P. QUINONES, 0866
MICKEY L. QUINTRALL, 0831
SUZANNE T. QUIRAO, 7190
RICHARD J. RAGALLER, 8632
JEFFREY A. RALSTON, 1041
ANTHONY RAMOS, 5103
FRANKLIN D. RAND, 9866
TAMRA L. RANK, 8168
KEVIN D. RASMUSSEN, 6391
GREGORY J. RATTRAY, 2247
JEFFREY RATTRAY, 5389
BRIAN S. RAY, 9380
GREGORY MARK RAY, 1839
JOEL D. RAY, 8044
TIMOTHY M. RAY, 0981
ANTHONY P. REARDON, 6013
ANDREW M. REDMOND, 5920
HERRIE L. REED, JR., 9513
RICHARD A. REED, 2461
RODNEY E. REED, 4662
SCOTT A. REED, 6654
JOEL S. REESE, 7182
KENNETH W. REESE, 6843
MATTHEW F. REESE, 3775
HOWARD A. REID, 9230
MARGARET A. REILLY, 9727
BRADFORD M. REINERT, SR., 0132
BRADY R. REITZ, 7711
DAVID REMENDOWSKI, 8981
DAVID RESENDEZ, 7003
TERRI J. REUSCH, 5637
CHRISTOPHER J. REVIS, 2245
DAVID L. REYNOLDS, 2536
GEORGE F. RHAME, 0390
ALBERT N. RHODES III, 6605
CLIFTON D. RHODES, 1946
DANIEL J. RICHARD, 3236
MARC D. RICHARD, 8361
NANCY S. RICHARDS, 6402
DANNY B. RICHARDSON, 4986
BRENT A. RICHERT, 8775
BRET G. RIDER, 0052
GILBERTO G. RIOS, 0392
JOSE RIVERA, 6097
ROBERT J. RIZZA, 2357
SCOTT M. ROBERTS, 6032
DAVID D. ROBERTSON, 7133
DAVID M. ROBERTSON, 9676
BRENDA M. ROBINSON, 0221
JAMES T. ROBINSON, 1093
JOHN B. ROBINSON, 7972
LOUIS J. ROBINSON, JR., 4119
RANDALL L. ROBINSON, 5185
EVELYN A. ROCKWELL, 6528
JEFFREY A. ROCKWELL, 0387
DAVID A. RODRIGUEZ, 3128
WILLIAM RODRIGUEZ, 5437
JOHN C. ROELOFS, III, 3893
ANDY D. ROGERS, 4091
LANE T. ROGERS, 8730
PETER T. ROGERS, 0984
JOACHIM A. ROGL, 4988
EDWARD H. ROHLK, 8848
MICHAEL S. ROMEO, 8259
NYDIA A. ROSADO, 6274
ALLEN E. ROSE, 9258
RANDY E. ROSE, 2750
CHARLES W. ROSS, 8784
HUBERT A. ROSS, 2863
KEVIN D. ROSS, 2996
TERRY L. ROSS, 1545
FRANK J. ROSSI, JR, 0051
CONSTANCE M. ROTHER, 2336
MAX R. ROTHMAN, 8298
MARIANNE C. ROWE, 4324
JONATHAN D. RUDMAN, 4610
BRUCE A. RUSCIO, 3911
FLOYD RUSSELL III, 6759
HOWARD R. RUSSELL, 2380
MARK A. RUSSELL, 2431
PATRICK E. RYAN, 6302
TIMOTHY L. SAFFOLD, 0162
CASSANDRA R. SALVATORE, 0339
BRIJ B. SANDILL, 6764
CRAIG A. SANDS, 1445
ROBERT A. SANFORD, 3097
MARK B. SANSOUCI, 9953
MARC A. SARCHET, 8216
CLAIRE M. SAUCIER, 7124
EDWARD G. SAUVAGEAU, 8186
NORMAN P. SCHAFFER, 2711
JUDITH SCHAFFER, 0497
KURT W. SCHAKE, 8450
MARGARET E. SCHALCH, 4622
RANDALL A. SCHERMERHORN, 1826
GREGORY J. SCHMIDT, 3489
JEFFREY E. SCHMIDT, 5100
MARCEL T. SCHMIDT, 6257
MARK J. SCHMITZ, 8267
FREDERICK W.D. SCHMOKEL, 9025
EUGENE H. SCHNIPKE, 1595
ERIC J. SCHNITZER, 0543
JOHN H. SCHOENEWOLF, 1223
HEATHER W. SCHOLAN, 5070
PAUL R. SCHOMBER, 5132
THORNTON C. SCHULTZ, 0523
PETER H. SCHWARZ, 5216
SUSAN L. SCHWEISS, 6920
PETER W. SCHWEYHER, 0121
JAMIE C. SCOTLAND, 9954
LYNN R. SCOTT, 6995
THOMAS A. SCOTT, 3937
JOHN C. SELL, 4229
PHILIP M. SENNA, 8061
PATRICIA L. SEROKA, 7892
HUGH G. SEVERS, 4381
WARD W. SEVERTS, 7893
DANIEL B. SHAFFER, 2414
MICHAEL R. SHANAHAN, 7423
ANN D. SHANE, 1943
JOSEPH R. SHANNAHAN, 2994
SCOTT T. SHARP, 5939
MICHAEL R. SHAW, 2365
CURTIS L. SHELDON, 8503
FREDERICK L. SHEPHERD III, 2561
SCOTT F. SHEPHERD, 7622
STEVEN M. SHEPRO, 9400
IVAN L. SHERARD, 4247
DANIEL R. SHERRED, 3967
BRIAN D. SHIMEL, 7250
HENRY H. SHIN, 0357
LUKE A. SHINGLEDECKER, 0745
STEVEN E. SHINKLE, 9126
JOYCE M. SHIVELY, 6143
GREGORY A. SHOALES, 0912
KEITH A. SHOMPER, 8799
BILLY R. SHRADER, 3105
STEPHEN D. SICKING, 7530
KIMBERLY B. SIEVERS, 5666
SCOTT A. SILLIMAN, 3365
JAY B. SILVERIA, 0618
BRIAN J. SIMES, 2415
VERNON N. SIMMONS, 9663
MARK A. SIMON, 7882
PHILIP S. SIMONSEN, 7298
GARY J. SINGLER, 4501
JAMES C. SINWELL, 6419
JAMES L. SISSON, 7578
DEBRA S. SITES, 2006
KERRY L. SITLER, 6188
DANIEL R. SITTERLY, 5943
MICHAEL A. W. SIZOO, 4128
JOHN P. SKINNER, 1930
DAVID A. SLADE, 1287
PAUL A. SMILEY, 1594
ANTHONY J. SMITH, 9929
ARTHUR C. SMITH, 2913
BILLY R. SMITH, 8896
BRADLEY J. SMITH, 3893
BRIAN K. SMITH, 3939
DALE R. SMITH, 0083
DOUGLAS D. SMITH, 6089
ERNEST P. SMITH, 6669
GARLAND D. SMITH, 4808
GREGORY A. SMITH, 7396
KEVIN C. SMITH, 6096
KYLE J. SMITH, 1935
LANI M. SMITH, 0521
NEIL F. SMITH, 9344
PATRICK J. SMITH, 0851
RICARD K. SMITH, 4624
SANDRA M. SMITH, 6760
THOMAS H. SMITH, JR., 1409
THOMAS J. SMITH, 6157
TIMOTHY S. SMITH, 7476
CURT D. SMOLINSKY, 9432
CHAPMAN JAMILYN J. SMYSER, 9445
CRAIG H. SMYSER, JR., 2775
JOHN W. SNODGRASS, 4129
RICHARD W. SNYDER, 1386
JAMES T. SOHAN, 6717
LORI L. SOUTH, 6934
STEPHEN F. SOVAIKO, 6514

VIC A. SOWERS, 8420
BRADLEY D. SPACY, 7278
WILLIAM L. SPACY II, 5135
THOMAS P. SPELLMAN, 3765
GEORGE E. SPENCER III, 6094
LOUIS R. SPINA, 4694
HAROLD L. SPRINGS, JR, 9951
BRIAN S. SQUYRES, 3451
JOHN R. STAFFORD, 4890
MICHAEL C. STANLEY, 5602
MICHAEL B. STARK, 9120
WILLIAM C. STARR, 6056
CYNTHIA S. STAUFFER, 4593
CAROL E. STDENIS, 0274
ANTHONY L. STEADMAN, 7303
GOODWIN LINDA STEEL, 3249
JOHN H. STEENKEN, JR., 6037
KENNETH T. STEFANEK, 7057
JEFFREY L. STEPHENSON, 3238
PAUL R. STEPHENSON, 8506
BARRY E. STERLING. 2507
DOUBLAS E. STEWART, 3712
NOYES C. STICKNEY III, 6260
JOHN W. STIERWALT, 3862
CHARLES B. STILL, 3924
JOHN G. STIZZA, 5320
TIMOTHY A STOCKING, 7191
DANIEL W. STOCKTON, 0544
KATHERINE E. STODDARD, 8543
DANIEL J. STOEHR, 8300
RICHARD B. STONESTREET, 0163
STEPHAN G. STRINGHAM, 5686
DIANE K. STRUCK, 0631
RICHARD M. STUCKEY, 2766
CHARLIE R. STUTTS, 6478
JOHN E. STUWE, 7158
TERRENCE L. SUNNARBORG, 2606
STANLEY B. SUPINSKI, 4977
RICHARD A. SUPPES, 7345
DANIEL A. SUROWITZ, 8260
JOSEPH C. SUSSINGHAM, 8002
ROLAND O. W. SUTTON, 2949
CARL J. SWANSON, 6979
MATTHEW D. SWANSON, 7356
JOHN T. SWINSON, 5783
ROBERT W. SWISHER, 3795
JOHN K. SWITZER, 0552
CARLA S. SYLVESTER, 0254
JERRY R. S. TACKETT, 4177
WENDEL H. TAKENAKA, 2690
ANTHONY G. TALIANCICH, 7460
MICHAEL E. TALLENT 8641
MARK S. TALLEY, 0515
DEAN C. TANO, 6557
HALBERT F. TAYLOR, JR., 8661
LUCILLE P. TAYLOR, 3312
MICHAEL D. TAYLOR, 7099
NANCI M. TAYLOR, 0146
WILLIAM D. TAYLOR, 9876
ROGER W. TEAGUE, 5696
DONALD D. THARP, 6129
MICHAEL T. THAYNE, 9267
ERIC E. THEISEN, 1418
SUSAN E. THIBODEAU, 6606
DENNIS R. THOMAS, 8796
LAWRENCE D. THOMAS, 8359
MICHAEL L. THOMAS, 0614
ROBERT D. THOMAS, 6917
WILBERT J. THOMAS, JR., 4038
MARY C. THOMASSON, 3476
ANGELA L. THOMPSON, 0339
DAVID D. THOMPSON, 7608
JEROME B. THOMPSON, 3416
KEITH A. THOMPSON, 5498
FRANK B. THORNBURG, III, 2640
MICHAEL H. THORNTON, 8234
DEAN W. THORSON, 8054
MICHAEL W. THYSSEN, 5317
JOHN J. TILLIE, 0143
DAVID L. TIMM, 2520
GREGORY S. TIMS, 4399
KENNETH R. TINGMAN, 6074
JAMES E. TINSLER, JR., 9037
MARK S. TISSI, 7320
DAVID M. TOBIN, 1095
DANIEL R. TODD, 8952
JAMES H. TOLER, 8876
KIMBERLY K. TONEY, 4711
TERRI L. TOPPIN, 9197
MARK E. TORRES, 8076
CHRISTOPHER M. TOSTE, 8451
STEPHEN M. TOURANGEAU, 6327
HENRY TOUSSAINT, 1751
ANDREW C. TRACEY, 2676
HAU T. TRAN, 0470
DARRYL G. TREAT, 5871
JOHN E. TRIMMER, JR., 6709
JAMES A. TRIPP, 9040
MICHAEL W. TRUNDY, 5488
ALLAN T. TUCKER, JR., 7071
KATHERINE K. TUCKER, 3480
MONA LISA D. TUCKER, 1195
DWAYNE R. TURMELLE, 3320
GAYLENE B. UJCIK, 8586
CHARLES L. ULLESTAD, 0410
TERRY A. ULRICH, 0575
WILLIAM A. ULRICH, 3386
DONALE M. UTCHEL, 4545
DAVID R. UZZELL, 7829
DANIEL M. VADNAIS, 2594
JAMES P. VAKOS, 8978
FLORENCE A. VALLEY, 1672
BUSKIRK DAVID J. VAN, 7668
SCOTT C. VANBLARCUM, 1386
SCOTT A. VANDERHAMM, 6801
JOHN W. VANDERHOVEN, 8932
STAN L. VANDERWERF, 8518
KENNETH J. VANTIGER, 3476
MICHAEL E. VANVALKENBURG, 2336
PETER M. VANWIRT, 3043
EMILIO VARCARCEL, 7646
JAMES W. VAUGHT, JR., 5450
RENNIE VAZQUEZ, 2723
KATIE D. VEAZIE, 5811
TIMOTHY A. VEEDER, 3077
DAVID VEGA, 0854
RAMON G. VEGA, JR., 2656
ROBERT J. VERICA, JR., 6162
NANCY R. VETERE, 6958
ROSE M. VICKERY, 7264
THELMA D. VINCENT, 8896
WYNE B. WALDRON, 1166
MICHELLE L. WALDROND, 7001
JEFFREY K. WALKER, 6665
RICHARD F. WALKER, 2440
ROY E. WALKER, JR., 6411
STEVEN J. WALKER, 6932
JEAN A. WALLACE, 1676
JOHN E. WALLIN, 1845
JUDSON E. WALLS, 7592
JOSEPH T. WALDROND, 2885
ROSS E. WALTON, 4538
MARK D. WARD, 8843
SCOTT F. WARDELL, 3923
STEVEN E. WARE, 3132
JEFFERY J. WARNEMENT, 0844
FRED L. WARREN, III, 8769
JONATHAN E. WASCHE, 7345
LESLEE E. WASHER, 9377
JEFFREY W. WATSON, 4905
REGINA A. WATSON, 7368
MICHAEL L. WAYSON, 7145
CHARLES L. WEBB, III, 7311
MARSHALL B. WEBB, 5567
EDWARD V. WEBER, 7361
JAMES M. WEBER, 9367
BRADLEY N. WEBSTER, 7015
THOMAS M. WEBSTER, JR., 0096
CHARLES D. WEEKES, 8236
ROBERT M. WEESNER, 4575
CHRISTOPHER P. WEGGEMAN, 3344
GEORGE E. WEIL, 2052
ROBERT J. WEILAND, JR., 7114
JAMES R. WEIMER, 0554
JAMES W. WEISSMANN, 2073
DAVID L. WEISZ, 1249
MICHAEL F. WELCH, 7246
MICHAEL R. WELDON, 7178
BILL C. WELLS, 4800
GEOFFREY M. WELLS, 2851
MARK A. WELLS, 4185
TIMOTHY S. WELLS, 6512
JAMES E. WELTER, 7009
JON S. WENDELL, 8259
JOSEPH C. WENDLBERGER, 9617
TRACY L. WENTWORTH, 0351
MICHAEL J. WERMUTH, 1910
DAVID C. WESLEY, 7672
BRUCE A. WEST, 2260
ROBERT J. WEST, 9538
MARK W. WESTERGREN, 6525
EDWARD B. WESTERMANN, 4593
TODD C. WESTHAUSER, 2267
KEITH R. WEYENBERG, 7785
MARY E. WHISENHUNT, 7113
DONALD J. WHITE, 6144
JEFFREY D. WHITE, 3252
JOHN W. WHITE, 5956
THOMAS P. WHITE, 4589
MARY K. WHITTENBURG, 8055
CHARLES L. WICHLAC, 2373
RONALD C. WIEGAND, 3085
MARVIN W. WIERENGA, JR., 8028
WILLIAM WIGNALL, 2790
PHYLLIS T. WILCOX, 9015
TIMOTHY G. WILEY, 5351
WILLIAM P. WILHELM, 3397
DONALD R. WILHITE, 5415
AARON L. WILKINS, 7574
ANTHONY R. WILLIAMS, 8592
CHARLES KEITH WILLIAMS, 6898
CLIFFORD V. WILLIAMS, 0073
DONALS S. WILLIAMS, 1348
FREDERICK L. WILLIAMS, 2799
JACK G. WILLIAMS, 1048
RICHARD J. WILLIAMS, 0725
THOMAS L. WILLIAMS, 1290
CRAIG J. WILLITS, 0013
JAMES R. WILLSIE, 8763
DARRELL R. WILSON, 8147
GARY L. WILSON, 1377
KELLY W. WILSON, 8383
MICHAEL G. WILSON, 2439
SCOTT A. WILSON, 1167
CRAIG S. WINDORF, 1356
KELLY A. WING, 6915
DAVID R. WINKLER, 6340
STEVEN W. WINTERS, 4182
VANESSA WISE, 8488
EDWARD W. WITHERSPOON, 8358
CLAYTON E. WITTMAN, 1382
JAMES S. WOLCOTT, 4121
GARY A. WOLVER, 1989
HOWARD L. WONG, 7241
EMMETT G. WOOD, 1788
ROBERT R. WOODLEY, 7783
COENNIE F. WOODS, 8871
DAVID S. WOODS, 3798
PENNY D. WOODSON, 8640
DAVID W. WOODWARD, 1264
RUDI D. WOODWARD, 6476
DANIEL WOOLEVER, 9123
MATTHEW F. WOOLLEN, 2150
MICHAEL S. WOOLLEY, 3880
DAVID J. WORLEY, 1099
GEORGE J. WORLEY, 3695
CAMERON H.G. WRIGHT, 4404
DANNY C. WRIGHT, 7381
DAVID L. WRIGHT, JR., 8892
MARCUS D. WROTNY, 2882
LEE O. WYATT, 5119
FRANCIS V. XAVIER, 0147
ROBERT A. YAHN, JR., 6518
DENNIS D. YATES, 9194
BRIAN D. YOLITZ, 5559
BRADFORD P. YOUNG, 1719
CHARLIE R. YOUNG, 0944
DAVID M. YOUNG, 5788
JUDY A. YOUNG, 7959
BARR D. YOUNKER, JR., 9819
DEBORAH L. ZAMORASOON, 0628
RAYMOND B. ZAUN, 9060
DAVID F. ZEHR, 8968
MARK D. ZETTLEMOYER, 8790
DANIEL B. ZIEGLER, 1101
CAROL A. ZIENERT, 2030
ANDREW G. ZINY, 5042
SCOTT J. ZOBRIST, 2205

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1999:

ENVIRONMENTAL PROTECTION AGENCY

GARY S. GUZY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.

DEPARTMENT OF STATE

DIANE EDITH WATSON, OF CALIFORNIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL STATES OF MICRONESIA.

DEPARTMENT OF ENERGY

CAROLYN L. HUNTOON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (ENVIRONMENTAL MANAGEMENT).

EXECUTIVE OFFICE OF THE PRESIDENT

JOHN T. SPOTILA, OF NEW JERSEY, TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET.

DEPARTMENT OF THE TREASURY

LAWRENCE H. SUMMERS, OF MARYLAND, TO BE SECRETARY OF THE TREASURY.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

ALBERT S. JACQUEZ, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR A TERM OF SEVEN YEARS.

CONSUMER PRODUCT SAFETY COMMISSION

MARY SHEILA GALL, OF VIRGINIA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR A TERM OF SEVEN YEARS FROM OCTOBER 27, 1998.

ANN BROWN, OF FLORIDA, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR A TERM OF SEVEN YEARS FROM OCTOBER 27, 1999.

ANN BROWN, OF FLORIDA, TO BE CHAIRMAN OF THE CONSUMER PRODUCT SAFETY COMMISSION.

DEPARTMENT OF VETERANS AFFAIRS

JOHN T. HANSON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF VETERANS AFFAIRS (PUBLIC AND INTERGOVERNMENTAL AFFAIRS).

ENVIRONMENTAL PROTECTION AGENCY

TIMOTHY FIELDS, JR., OF VIRGINIA, TO BE ASSISTANT ADMINISTRATOR, OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

MELVIN E. CLARK, JR., OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 1999.

DONALD LEE PRESSLEY, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

DEPARTMENT OF STATE

DONALD W. KEYSER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS SPECIAL REPRESENTATIVE OF THE SECRETARY OF STATE FOR NAGORNO-KARABAKH AND NEW INDEPENDENT STATES REGIONAL CONFLICTS.

LARRY C. NAPPER, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS COORDINATOR OF THE SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

FRANK ALMAGUER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF HONDURAS.

JOHN R. HAMILTON, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PERU.

GWEN C. CLARE, OF SOUTH CAROLINA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ECUADOR.

OLIVER P. GARZA, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NICARAGUA.

JOYCE E. LEADER, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUINEA.

DAVID B. DUNN, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAMBIA.

M. MICHAEL EINIK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.

MARK WYLEA ERWIN, OF NORTH CAROLINA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MAURITIUS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL ISLAMIC REPUBLIC OF THE COMOROS AND AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

CHRISTOPHER E. GOLDTHWAIT, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

JOSEPH LIMPRECHT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ALBANIA.

PRUDENCE BUSHNELL, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUATEMALA.

DONALD KEITH BANDLER, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CYPRUS.

JOHNNIE CARSON, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KENYA.

THOMAS J. MILLER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BOSNIA AND HERZEGOVINA.

BISMARCK MYRICK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF LIBERIA.

MICHAEL D. METELITS, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAPE VERDE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

PETER S. WOOD, OF CALIFORNIA

FOREIGN SERVICE NOMINATIONS BEGINNING CONSTANCE A. CARRINO, AND ENDING RUTH H. VAN HEUVEN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 23, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING BRIAN E. CARLSON, AND ENDING LEONARDO M. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 24, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING DALE V. SLAGHT, AND ENDING ERIC R. WEAVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 24, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING JOHNNY E. BROWN, AND ENDING MEE JA YU, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 12, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING JAY M. BERGMAN, AND ENDING ROBIN LANE WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 11, 1999.

THE FOLLOWING-NAMED PERSON OF THE AGENCY INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF THE CLASS STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH: FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS FOUR, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

STEPHEN A. DODSON, OF TEXAS

FOREIGN SERVICE NOMINATIONS BEGINNING KAREN AGUILAR, AND ENDING LAURIE M. KASSMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 26, 1999.

WITHDRAWAL

Executive message transmitted by the President to the Senate on July 1, 1999, withdrawing from further Senate consideration the following nomination:

EXECUTIVE OFFICE OF THE PRESIDENT

G. EDWARD DESEVE, OF PENNSYLVANIA, TO BE DEPUTY DIRECTOR FOR MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, VICE JOHN A. KOSKINEN, WHICH WAS SENT TO THE SENATE ON FEBRUARY 12, 1999.

ENVIRONMENTAL PROTECTION AGENCY

TIMOTHY FIELDS, JR., OF VIRGINIA, TO BE ASSISTANT ADMINISTRATOR, OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

MELVIN E. CLARK, JR., OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 1999.

DONALD LEE PRESSLEY, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

DEPARTMENT OF STATE

DONALD W. KEYSER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS SPECIAL REPRESENTATIVE OF THE SECRETARY OF STATE FOR NAGORNO-KARABAKH AND NEW INDEPENDENT STATES REGIONAL CONFLICTS.

LARRY C. NAPPER, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS COORDINATOR OF THE SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

FRANK ALMAGUER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF HONDURAS.

JOHN R. HAMILTON, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PERU.

GWEN C. CLARE, OF SOUTH CAROLINA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ECUADOR.

OLIVER P. GARZA, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NICARAGUA.

JOYCE E. LEADER, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUINEA.

DAVID B. DUNN, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAMBIA.

M. MICHAEL EINIK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.

MARK WYLEA ERWIN, OF NORTH CAROLINA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MAURITIUS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL ISLAMIC REPUBLIC OF THE COMOROS AND AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

CHRISTOPHER E. GOLDTHWAIT, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

JOSEPH LIMPRECHT, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ALBANIA.

PRUDENCE BUSHNELL, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GUATEMALA.

DONALD KEITH BANDLER, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CYPRUS.

JOHNNIE CARSON, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF KENYA.

THOMAS J. MILLER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BOSNIA AND HERZEGOVINA.

BISMARCK MYRICK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF LIBERIA.

MICHAEL D. METELITS, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CAPE VERDE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

PETER S. WOOD, OF CALIFORNIA

FOREIGN SERVICE NOMINATIONS BEGINNING CONSTANCE A. CARRINO, AND ENDING RUTH H. VAN HEUVEN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 23, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING BRIAN E. CARLSON, AND ENDING LEONARDO M. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 24, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING DALE V. SLAGHT, AND ENDING ERIC R. WEAVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 24, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING JOHNNY E. BROWN, AND ENDING MEE JA YU, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 12, 1999.

FOREIGN SERVICE NOMINATIONS BEGINNING JAY M. BERGMAN, AND ENDING ROBIN LANE WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 11, 1999.

THE FOLLOWING-NAMED PERSON OF THE AGENCY INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF THE CLASS STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH: FOR APPOINTMENT AS FOREIGN SERVICE OFFICER OF CLASS FOUR, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

STEPHEN A. DODSON, OF TEXAS

FOREIGN SERVICE NOMINATIONS BEGINNING KAREN AGUILAR, AND ENDING LAURIE M. KASSMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 26, 1999.

WITHDRAWAL

Executive message transmitted by the President to the Senate on July 1, 1999, withdrawing from further Senate consideration the following nomination:

EXECUTIVE OFFICE OF THE PRESIDENT

G. EDWARD DESEVE, OF PENNSYLVANIA, TO BE DEPUTY DIRECTOR FOR MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, VICE JOHN A. KOSKINEN, WHICH WAS SENT TO THE SENATE ON FEBRUARY 12, 1999.

EXTENSIONS OF REMARKS

ESTABLISHING PEACEFUL AND STABLE RELATIONS ACROSS THE TAIWAN STRAIT

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. GILMAN. Mr. Speaker, permit me to take this opportunity to commend the members of the Straits Exchange Foundation and its distinguished Chairman Dr. Koo Chen-fu for their great efforts toward establishing peaceful and stable relations across the Taiwan Strait.

I would like to draw the attention of my colleagues to the following address given by Dr. Koo at the Meeting of the International Press Institute World Congress and 48th General Assembly on May 18, 1999 regarding future relations between Taiwan and the People's Republic of China. I request that Dr. Koo's remarks as well as two reports describing Taiwan's contribution of $300 million in aid to Kosovar refugees be inserted at this point in the RECORD:

ESTABLISHING PEACEFUL AND STABLE RELATIONS ACROSS THE TAIWAN STRAIT

(Dr. Koo Chen-fu, Chairman)

Honorable Public Opinion Leaders from Both at Home and Abroad, Distinguished Guests, Ladies, and Gentleman: I feel greatly honored to be invited to participate in the annual conference of the International Press Institute held in the Republic of China. This year marks the first occasion that the IPI has held an annual conference of such magnitude in Taipei. Your meeting here is an affirmation of and encouragement by the IPI for the ROC government's efforts in promoting freedom of press over the past two decades and for the entire press of our nation, which has worked diligently to pursue the consistent advancement of the news industry.

I would like to take this opportunity to discuss a major issue that is currently confronting our general public: the problem of having too much information, rather than too little. I believe all of the people responsible for Taiwan's media and communication sectors present today are proud to have contributed to this hard-to-achieve status.

On my way to the conference, I was wondering why the prestigious sponsors of the conference invited me to deliver a speech on this occasion. Knowing that a host of prominent personages from all sectors around the world are participating in this grand event, I felt even more apprehensive, until I thought of a privilege I have over all of you: seniority. I am 82 years old and in a society, such as ours, that attaches great respect to elderly people, my age, I suspect, was my ticket to attend this magnificent conference.

The topic I will speak to you about today is unquestionably quite serious, but it is the subject specifically requested by the sponsoring unit of this conference. I promise that I will do my best to be concise and clear about a complex matter.

As you all know, the Republic of China was founded by Dr. Sun Yat-sen in 1912, after the overthrow of the Ching imperial dynasty. Then in 1949, the People's Republic of China was established with Chairman Mao Tz Tung as its leader. Thereafter, China has been ruled separately, with the Chinese communists exercising jurisdiction on the mainland; while ROC government exercising jurisdiction in Taiwan, Penghu, Kinmen, and Matsu. China has not been united for the past half century, and our situation resembles that of North and South Korea. This is a very simple political reality, known and accepted around the world.

Beijing's claim that ''there is only one China and Taiwan is part of China, and one China means the People's Republic of China,'' or ''Taiwan is a renegade province of PRC'' not only deviates from reality, but completely negates the truth. It is my view that China is now divided, and both Taiwan and the mainland are parts of China and the two sides of the Taiwan Strait are ruled by two distinct political entities, with neither subordinate to the other. What is important is that both sides do not exclude the possibility of future unification of China through the process of peace and democracy, when time and conditions are mature.

At the current stage of development of cross-strait relations, the Straits Exchange Foundation (SEF), under the authorization of the government, has from the very beginning, stressed several key points. We have insisted on conditions that respect historic facts and the status quo, safeguard the well-being of the people on Taiwan, and normalize cross-strait relations. For humanitarian reasons, the ROC government in 1987 began to allow our people to visit relatives on the mainland and worked effectively to increase mutual understanding and exchanges between the people on both sides of the Taiwan Strait.

Then again in 1991, we terminated the Period of National Mobilization for Suppression of the Communist Rebellion, clearly manifesting our government's sincerity not to resolve cross-strait problems by force. It was a pragmatic move, as our government took the first step and demonstrated our goodwill to acknowledge the existence of the communist authorities. To help raise the living standards on the Chinese mainland and develop its economy, Taiwan's business sector has invested as much as US$25 billion across the strait over the last ten plus years, creating a great number of job opportunities for the people on the mainland and contributing remarkably to the expeditious accumulation of foreign exchange reserves for the Chinese mainland over the recent years.

In order to show the sincerity of the ROC government in promoting peaceful and stable cross-strait relations, President Lee Teng-hui made a six-point proposal on normalizing cross-strait relations in April 1995. These points are: 1. use Chinese culture as a base to strengthen exchanges between the two sides; 2. enhance economic ties and develop reciprocal and complementary cross-strait relations; 3. participate in international organizations on an equal-footing, thus allowing meetings of leaders from the two sides in appropriate situations; 4. assert peaceful solutions for any disputes which arise; 5. combine the efforts of both sides to maintain the prosperity of Hong Kong and Macau and enhance democracy in these two areas; 6. pursue future national unification while respecting that China is currently divided and ruled by different political entities.

President Lee's understanding and perspective have provided direction to SEF's tasks. We hope to establish a peaceful and stable cross-strait relationship step by step, as follows:

First of all, we have made all necessary preparations for the coming of Mr. Wang Dao han, the senior chairman of the Association for Relations Across the Taiwan Strait (ARATS). I address him as ''senior'' because he is eighty-three years old, and I'm a year younger that he is. I am expecting Mr. Wang's visit as one which will renew the channel of constructive discourse we first established during my trip to mainland last October. The SEF will make arrangements for Mr. Wang's ''getting to know Taiwan'' trip safe and comfortable, so the mainland's leading persons will have a better understanding and knowledge of Taiwan. And, for the above mentioned reasons, I look forward to the Taipei meeting with Mr. Wang, which will be held this autumn, so we can work together to frame a peaceful and mutually beneficial relationship for both sides of the strait.

In addition, we will try to persuade the Beijing authorities to reopen the institutionalized consultations established during the Singapore round of the Koo-Wang talks in April 1993. Regarding substantive issues, which most concern the rights of the people, such as repatriating mainland stowaways and hijackers, solving fishing disputes, and dealing with illegal activities cooperatively, we hope that interim agreements will be signed as soon as possible. These agreements will form a basis from which to expand step by step the content gained from future consolations or important issues concerning both sides.

I am well aware that there are people on the Beijing side who anxiously promote political negotiations and dialogue between the two sides. In fact, just as in the Shanghai meeting last October, I would like to broaden the range of subjects during the talk with Mr. Wang in the upcoming Taipei meeting on whatever issues are of concern. If the meeting is restricted only to talks about issues in a particular area, it will minimize the effect of the agreement we may make. This will not be beneficial for improving relations between the two sides.

The 1993 Singapore agreement was the first agreement which was officially authorized for signature by both governments and was approved by respective elected bodies after separation on each side of the strait. If either of the two parties was not willing to abide by the agreement, then the confidence level for the signing of future agreements will certainly be negatively affected. Over time, we will attain more agreements concerning the people's rights and interests. Thus, we can build mutual confidence

through the accumulation of interim agreements. This method gives us the ground work for a solid foundation for peaceful and stable cross-strait relations.

Third, the two sides should gradually develop a confidence building measure (CBM), in order to insure the peace of the Taiwan Strait and the security of the Asia-Pacific region. Beginning in 1991, the two sides set up the Straits Exchange Foundation and the Association for Relations Across the Taiwan Straits, respectively, to be the institutionalized communication mechanism between the two sides. This is the accepted communication channel under the informalized relation between the two sides.

For years, these two organizations have exchanged phone calls and letters to conduct necessary contacts and communication. In 1996, however, the Chinese mainland unexpectedly launched a military threat against Taiwan and unilaterally suspended the functions of the two organizations for more than three years. It is a situation we deeply regret.

Under the influence of democracy and freedom, Taiwan is becoming increasingly liberalized and advanced. Such an environment has exerted a direct impact on the SEF to be more flexible and open, when holding consultations with ARATS. Let me assure you that the ROC government is fully confident and sincere in resolving any political differences between the two sides via consultations. Even so, we will not hold talks with the Chinese mainland under such unfriendly conditions as political inequality, diplomatic interference, and military threat. National security and dignity are what I myself and the SEF personnel constantly must bear in mind, when we exchange contacts with the Chinese mainland. I believe that these two criterias are also the two foremost concerns of the people of Taiwan.

In recent years, I have observed that Beijing has been withdrawing from the position that ''we can talk about anything'' toward a parochial mentality that ''we can only talk about political issues.'' This confuses us.

I would like to take this opportunity to call on Beijing to return to the consultation table as soon as possible, to establish mutual trust between the two sides through consultations, and to adopt necessary and positive measures to insure the peace and stability of the Taiwan Strait.

Fourth, the two sides should expand items and the scope of exchanges and cooperations and treat each other with sincerity through reciprocity, in order to ultimately normalize bilateral relations. During the past 50 years, the two sides have accumulated individual experiences of development that can be exchanged to assist each other. In the past, we have proposed that the two sides conduct exchanges and cooperate in the areas of agriculture, scientific technology, economic development, and rule by law. We have also suggested the two sides deal with the Asian financial crisis together, in order to jointly contribute to the prosperity and stability of the Asia-Pacific region.

Unfortunately, we have not had any positive response from Beijing, to date. In the future, we will continue to encourage and persuade the Chinese mainland to pragmatically respond to our constructive proposals. We will also unfold various cooperation plans with Beijing to increase mutual trust, achieve consensus, and ultimately attain the goal of establishing normalized relations between the two sides.

Ladies and gentlemen, during the past four decades, the ROC has managed to create miracles in economic development and political democratization, under unfavorable natural environments and conditions. Naturally, we wish to achieve more, and it is our hope that we can bridge the gap of the Taiwan Strait in economic and political developments by appropriate interaction and constructive dialogue between the both sides of the Taiwan Strait. This will help us to realize the natural reunification of both sides in a peaceful and democratic way.

At the threshold of the twenty-first century, with the Cold War era ended, I sincerely hope that the Chinese mainland will discard the remnants of the Cold War ''zero-sum'' thinking and expand their horizons to join us in building a peaceful and stable relationship for both sides of the Taiwan Strait, under conditions which respect the political status quo of both sides.

As time is pressing, let me finish my speech here. Thank you very much. And I wish all the distinguished participants of this conference health and confirmed success.

PRESIDENTIAL STATEMENT REGARDING ASSISTANCE TO KOSOVAR REFUGEES

The huge number of Kosovar casualties and refugees from the Kosovo area resulting from the NATO-Yugoslavia conflict in the Balkans have captured close world-wide attention. From the very outset, the government of the ROC has been deeply concerned and we are carefully monitoring the situation's development.

We in the Republic of China were pleased to learn last week that Yugoslavia President Slobodan Milosevic has accepted the peace plan for the Kosovo crisis proposed by the Group of Eight countries, for which specific peace agreements are being worked out.

The Republic of China wholeheartedly looks forward to the dawning of peace in the Balkans. For more than two months, we have been concerned about the plight of the hundreds of thousands of Kosovar refugees who were forced to flee to other countries, particularly from the vantage point of our emphasis on protecting human rights. We thereby organized a Republic of China aid mission to Kosovo. Carrying essential relief items, the mission made a special trip to the refugee camps in Macedonia to lend a helping hand.

Today, as we anticipate a critical moment of forth-coming peace, I hereby make the following statement to the international community on behalf of all the nationals of the Republic of China:

As a member of the world community committed to protecting and promoting human rights, the Republic of China would like to develop further the spirit of humanitarian concern for the Kosovar refugees living in exile as well as for the war-torn areas in dire need of reconstruction. We will provide a grant aid equivalent to about US $300 million. The aid will consist of the following:

1. Emergency support for food, shelters, medical care, and education, etc. for the Kosovar refugees, living in exile in neighboring countries.

2. Short-term accommodations for some of the refugees in Taiwan, with opportunities of job training in order for them to be better equipped for the restoration of their homeland upon their return.

3. Furthermore, support the rehabilitation of the Kosovo area in coordination with international long-term recovery programs when the peace plan is implemented.

We earnestly hope that the above-mentioned aid will contribute to the promotion of the peace plan for Kosovo. I wish all the refugees an early return to their safe and peaceful homes.

ROC TO DONATE US$300 MILLION TO HELP KOSOVAR REFUGEES

Taipei, June 7 (CNA) President Lee Teng-hui announced Monday that the Republic of China will donate US$300 million to help Kosovar refugees rebuild their homes.

Lee made the announcement at a news conference held after chairing a meeting on the Kosovo problems. The meeting was attended by Vice President Lien Chan, Premier Vincent Siew, Foreign Minister Jason Hu, and Ying Chung-wen, secretary-general of the National Security Council.

Lee said the ROC, as a member of the international community, has consistently been concerned about world affairs and problems. ''We want to play an active role in the world arena and work together with other members of the world society in maintaining world peace,'' Lee said, adding that the aid to displaced Kosovar refugees is purely based on humanitarianism.

Asked about his view on possible backlash from mainland China, Lee said humanitarian aid to Kosovar refugees is a common goal of all civilized countries.

''Since the two sides of the Taiwan Strait co-exist in the international community, we should make joint efforts to promote international peace and stability,'' Lee said.

The president urged mainland China to throw support behind the ROC's aid drive, adding that he hopes mainland China will also take concrete steps to assist hundreds of thousands of displaced Kosovar refugees.

Lee's announcement came a day after Macedonian Prime Minister Ljubco Georgievski arrived in Taipei on Sunday for a six-day official visit.

This is the 33-year-old Macedonian prime minister's first trip to the ROC since the two countries forged formal diplomatic ties in January this year.

Macedonia has been burdened by a large number of ethnic Albanian refugees from the neighboring Yugoslav province of Kosovo. (By Sofia Wu)

WOMEN'S SOCCER

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. COBLE. Mr. Speaker, as we watch the U.S. Women's Soccer Team advance to the final rounds of the World Cup, we are reminded of two teams from our district, High Point Central High School and Ragsdale High School, which both are 1999 North Carolina High School Soccer Champions.

High Point Central captured the 1A/2A North Carolina High School Athletic Association (NCHSSA) Women's Soccer Championship. The Bison ended their season with an outstanding record of 19–3–3. We congratulate Mandi Tinsley, Katie Copeland, Jenny Thomas, Jenni Tensley, Lee Culp, Lindsay Holbrook, Tina Tinsley, Graham Magill, Andrea Brown, Lindsay Husted, Leigh Spencer, Lemeh Horace, Jessica Harrison, Erica Bell, Jennifer Applegate, Sarah Bencini, Jrily White, Krystion Obie. A few people who helped lead them along the way were Head Coach David

Upchurch, Assistant Coach Pete Chumbley, and managers Scott Salter and Robert White. Central's Athletic Director is Gary Whitman.

Ragsdale High School won the NCHSSA Women's 3A State Championship. The Tigers ended their impressive season with a record of 22–2–4. We congratulate Cindy Mullinix, Julia Deaton, Danielle Brown, Jamie Davis, Jordan Allison, Erin Beeson, Brooke Dewitt, Lydia Gibson, Holly Walker, Jen Ryback, Michele Andrejco, Stacy Hopkins, KK Dalrymple, Michelle Pizzurro, Alysha Hall, Laura Stafford, Kellie Dixon, Emily Foster, and manager Sandra Simoes. Contributing to Ragsdale's win was Coach Brian Braswell, Trainer Josh Beaumont and Athletic Director is Mike Raybon.

The Sixth District of North Carolina is proud of both these teams for all their hard work and dedication. Congratulations to the girls at High Point Central and Ragsdale. Now let's hope that the U.S. Women's Team can win the World Cup!

THE DRUG-FREE SCHOOL ZONE ENFORCEMENT ACT

HON. JAMES E. ROGAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. ROGAN. Mr. Speaker, as you know, our nation's schools have become playgrounds for drug dealers. Every day, thousands of children get hooked on drugs in and around our local schools. Meanwhile, our local communities struggle to hold back the rising tide of drug crime. Sadly, local efforts to protect our nation's school zones have received little direct federal support.

As a former gang murder prosecutor in Los Angeles County, who prosecuted drug dealers who got children hooked on drugs, I know the limitations our local governments face in their war on drugs. That is why I am introducing the bipartisan Drug-Free School Zone Enforcement Act.

The Drug-Free School Zone Enforcement Act will provide $150 million of the Safe and Drug Free Schools money appropriated each year to local governments, so that they may take steps to reduce drug crimes within a one-mile radius of any school. In addition, this bill will allow communities to hire additional law enforcement agents and prosecutors, and coordinate drug enforcement efforts with state and federal agencies. Finally, this bill will require that 95 percent of these funds must go to local communities.

Mr. Speaker, now is the time to show that Congress means business in fighting the drug war on a local level. As we begin to focus on our priorities on education and keeping drugs away from our children, I urge that Members join me in supporting the Drug-Free School Zone Enforcement Act.

BILL AND AVA SIMMONS CELEBRATE THEIR 72ND WEDDING ANNIVERSARY

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. PHELPS. Mr. Speaker, I rise today to pay tribute to Bill and Ava Simmons of West Frankfort, IL. On June 18th of this year, Ava and Bill celebrated their 72nd wedding anniversary. The Simmons have been residents of the beautiful city of West Frankfort since the early 1900's and are long time members of the First Baptist Church in West Frankfort. Mr. Simmons recently retired as owner of the Stone Funeral Home, when he was 92 years young. His wife was a stenographer for an attorney from Benton and worked for the State of Illinois during the Depression.

Mr. Speaker, I wanted to take the time to let all of my fellow Members of Congress and the nation know of this most impressive and momentous occasion. On the floor of this Congress we always hear Members describing the decline of family values and personal responsibility in this country; this is why I am so pleased to share the news of the Simmons 72nd anniversary. Their 72-year commitment to each other proves that there are many good and decent Americans in this country, who like the Simmons, are committed to their families, values, and their marriages. I would like to wish the Simmons a very joyful anniversary and a happy and healthy future.

TRIBUTE TO THE HON. MARGARET DOUD

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. STUPAK. Mr. Speaker, I rise today to call your attention and that of my House colleagues to an important historical milestone in my northern Michigan congressional district. This month the City of Mackinac Island, a unique blend of state park and local municipality and a special mix of important archaeological sites and impressive tourist attractions, celebrates its centennial. Tonight the city council of Mackinac Island will both formally acknowledge this milestone and honor a remarkable public servant, island resident Margaret M. Doud, who has served as mayor for 25 of the city's 100-year history.

The community that Margaret Doud both leads and serves is not just unique in my 1st Congressional District. It is an important national resource with a rich history as a spiritual home and meeting place of Native American tribes, a way-station in the European exploration of the Upper Midwest, an important military site during America's two wars with England, a resource center for fur and fish trade, and now a temperate haven for tourists in the heat of summer.

Mackinac Island is the home of memorable fudge and the majestic Grand Hotel. It is circled and criss-crossed by rural lanes that in summer are used by residents and visitors on foot, bicycle, or horse and buggy—but nor cars, not since motorized vehicles were banned in 1898. It has served as summer home for Michigan's governor, the site of numerous business and political conferences, and the backdrop for movie cameras in the romantic Christopher Reeve and Jane Seymour movie, Somewhere in Time. For the everyday cameras of tourists, the island's backdrop includes the magnificent span of the Mackinac Bridge. The island is a fair destination for sailors who race up Lake Michigan in the Chicago-to-Mackinac race and up Lake Huron in the Port Huron-to-Mackinac event.

The island takes its name from the Native American word "Michilimackinac," which means "Land of the Giant Turtle," a reference to the island's humped shape, like a turtle rising from the northern end of the Lake Huron. In Indian lore, the island was the first land to appear above water after the Great Flood, and a place of origin for native peoples.

You can see, Mr. Speaker, that while it's true Margaret Doud may serve as mayor over a small population of about 500 permanent residents, she also guides a community that must constantly address a host of intensely conflicting land use demands. The effort to accommodate tourists from all over the world must be balanced against limited resources and the need to protect its unique historic and archaeological sites. This means that each question of housing for seasonal workers, for additional accommodations and for marina expansion is posed against the question of protecting what is truly a national treasure.

Mayor Doud has served the island well in addressing these questions, Mr. Speaker. I ask my House colleagues to join me in recognizing her efforts and offering our sincerest appreciation for her dedication and efforts in guiding this island community into the next millennium. Under Margaret's guidance, and with the advice and assistance of the island's city council, I know the island is well prepared for its next 100 years.

CENTURY 21 ROBINSON REALTY, INC. ACHIEVES THE QUALITY SERVICE PINNACLE AWARD

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. DUNCAN. Mr. Speaker, I would like to take this opportunity to congratulate a business in my District for its outstanding customer service. Recently, Century 21 Robinson Realty, Inc. was honored by the Century 21 Real Estate Corporation with its Quality Service Pinnacle Award.

The Pinnacle Award is given only to those Century 21 offices that deliver the best in consistent quality service at the highest level. Century 21 Robinson Realty, Inc. certainly fits this criteria.

Additionally, on June 29, 1999, the Daily Post-Athenian announced that Century 21 Robinson Realty was named as the "Best Real Estate Firm" in its "People's Choice" survey. This survey was placed in the DPA for

readers to choose their favorite in a number of different categories.

Charles Robinson, founder and principal broker of Robinson Realty, has been involved in the real estate industry for over 30 years. He is a respected businessman in the Athens community and has helped countless families realize the ''American Dream'' of homeownership.

Robinson Realty affiliated with the Century 21 Real Estate Corporation in 1977, and has been recognized with numerous awards over the years.

Mr. Speaker, Century 21 Robinson Realty, Inc. is truly a family business. Charles and Linda Robinson work together with their son, General Manager Mike Robinson and daughter, Office Coordinator Paula Robinson Scarbrough. The Robinson family in Athens is synonymous with the real estate business.

I am especially proud customer service is the number one priority at Century 21 Robinson Realty. For the past six years, Robinson Realty has earned the prestigious Quality Service Award. This fact says a great deal about the professional real estate agents that make up Robinson Realty.

Robinson Realty has combined real estate experience totalling almost 200 years. There are not many businesses that can offer their customers so much experience.

Mr. Speaker, I would like to congratulate the Robinson Family on this important occasion. I would also like to congratulate the professional agents that make up the Robinson Realty ''Gold Team.'' They are: Barbara Reed, Peggy Hallenberg, Charlie Simpson, LuAnne Vaughan, Diana Girand, Phyllis Maxwell-Day, Alma Sliger, Emma Lee Tennyson, Judy Keen, Sarah Pointer, LaVerne Tuell and Vickie Peeler. Charles Robinson would be the first to tell you that without these professionals, Robinson Realty would not be successful. I am proud to have such a fine business as a part of my District.

Mr. Speaker, I have included a copy of a story that ran in the Daily Post-Athenian that honors Century 21 Robinson Realty and would like to call it to the attention of my fellow members and other readers of the RECORD.

LOCAL REAL ESTATE FIRM HONORED BY CENTURY 21

Century 21 Real Estate Corporation, franchiser of the world's largest residential real estate organization, has announced that Century 21 Robinson Realty, Inc., is the recipient of the Quality Service Pinnacle Award.

The Quality Service Pinnacle Award recognizes Century 21 offices that deliver the best in consistent quality service at the highest level. To qualify, an office must earn a Quality Service Award in the current year, return a minimum of 50 completed Quality Service surveys during the past two years and meet or exceed the minimum Quality Service Index on the number of surveys returned during the last two years.

''We are thrilled to recognize the work of Century 21 Robinson Realty, Inc., for this significant achievement,'' said Van Davis, senior vice president, Franchise and Field Services, Century 21 Real Estate Corporation. The Century 21 system commended the dedication, professionalism and commitment to quality service exemplified by Century 21 Robinson Realty, Inc., a news release stated.

Also recognized at the annual awards banquet were several sales associates for their yearly sales commission totals in the Top Producer category. This year's winners were Diana Girand, Peggy Hallenberg, Judy Keen and Charlie Simpson. The Century 21 Robinson Realty office was also awarded the Top Producing office in the Chattanooga marketing area for units sold and commissions received.

Century 21 Robinson Realty, Inc., has more than 30 years of experience in the real estate industry and has been affiliated with the Century 21 system for 23 years.

A TRIBUTE TO THE LATE TOLLYE WAYNE TITTSWORTH

HON. ZACH WAMP

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. WAMP. Mr. Speaker, today I wish to honor the memory of a fine resident of the Sequatchie Valley and the 3rd District of Tennessee who left this life last May 2. Tollye Wayne Tittsworth died at age 60. For his family and the many friends who admired his work as a radio broadcaster and citizen, his death came far, far too soon.

Tollye Wayne, as he was called throughout the Sequatchie Valley, knew from the time he was still in his teen years that radio would be his life's work and his life's love. While still in high school, he began working part time at a radio station in McMinnville where he was born and grew up.

Like all people who excel at what they do, Tollye Wayne did not regard his career in radio and the news business as just ''a job.'' He lived—and enjoyed—his work 24-hours-a-day. He worked at a series of stations in Tennessee, including serving as general manager of WJLE in Smithville, general manager of WAKI in McMinnville and operations manager of WBMC–WTRZ in McMinnville and owner and general manager of WSMT AM–FM in Sparta from 1975 through 1980.

At 6 a.m. on July 14, 1986, Tollye Wayne signed on the air at WSDQ in Dunlap. He was a powerful voice—and a personality—known throughout the Sequatchie Valley. He took an interest in folks from all walks of life. It did not matter to Tollye Wayne whether the person he was speaking with was a hard working employee at a convenience store or just happened to be Vice President of the United States. Tollye Wayne was interested in what he or she had to say.

To those of us who have the honor of representing the Sequatchie Valley, a visit with Tollye Wayne was on our ''must do'' list anytime we were in the Dunlap area. Not only did we get a chance to communicate with folks throughout the valley through radio station WSDQ, but—just as importantly—we got a chance to pick Tollye Wayne's brain about what was going on in the Valley. It is not very much of an exaggeration to say that Tollye Wayne knew just about everything that was happening in the valley.

Tollye Wayne did not simply cover his community. He worked to make it better, serving as a member of a number of civic clubs and community boards, including the Sequatchie Valley Health Council, the Sequatchie County Hospital Board, The Sequatchie Valley Planning Commission and the American Legion Harvey Merriman Post 190. He was also instrumental in establishing the Dunlap Chamber of Commerce. And he was a past president of the Dunlap Lions Club. He also quietly helped folks who needed it.

I know that Tollye Wayne would take comfort in the fact that what he built at WSDQ is being carried on by his family. I also want to express my most profound sympathy to his wife, Ruth Myers Tittsworth; his son Stephen Wayne Tittsworth; step-daughter, Teresa Ann Hennessee; his mother, Willie Cantrell Tittsworth; brother James Gary Tittsworth and his sister, Rita Poncina.

All of us who knew Tollye Wayne are grateful that we had the chance to work with him and sincerely mourn his passing. Tollye Wayne, God-Speed in the Better World where you are now. And thanks for the good you did for all of us.

CRISIS IN KOSOVO (ITEM NO. 14), REMARKS BY ALISTAIR MILLAR OF THE FOURTH FREEDOM FORUM

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. KUCINICH. Mr. Speaker, on June 24, 1999, I joined with Representative CYNTHIA A. MCKINNEY, Representative BARBARA LEE, and Representative JOHN CONYERS in hosting the sixth in a series of Congressional Teach-In sessions on the Crisis in Kosovo. If a lasting peace is to be achieved in the region, it is essential that we cultivate a consciousness of peace and actively search for creative solutions. We must construct a foundation for peace through negotiation, mediation, and diplomacy.

Part of the dynamic of peace is a willingness to engage in meaningful dialogue, to listen to one another openly and to share our views in a constructive manner. I hope that these Teach-In sessions will contribute to this process by providing a forum for Members of Congress and the public to explore options for a peaceful resolutions. We will hear from a variety of speakers on different sides of the Kosovo situation. I will be introducing into the CONGRESSIONAL RECORD transcipts of their remarks and essays that shed light on the many dimensions of the crisis.

This presentation is by Alistair Millar, program director and Washington Office Director of the Fourth Freedom Forum, an independent research organization that sponsors scholarly conferences, cultural programs and research fellowships to promote awareness of peace and security issues. Before joining the Forum, Mr. Millar was a Senior Analyst at the British American Security Information Council. He is a British citizen and has a Masters Degree in International Studies from the University of Leeds.

PRESENTATION

(By Alistair Millar and David Cortright)

A peace settlement, no matter how tenuous, has been reached and the war in Yugoslavia over Kosovo is now over. NATO's

bombing campaign is being sold as a success, but the problems in the region—in part created by the destruction resulting from allied bombing raids—are far from over. The process of reconstruction, repatriation and rehabilitation is just beginning and will be hugely expensive.

First we must be clear that this is a problem that does not only affect Kosovo and Serbia. The entire Euro-Atlantic region will suffer the consequences of this conflict for years to come. Regarding the Balkans area suffering the most acute impact of the war, the International Monetary Fund has identified a core group of six countries (Albania, Bosnia-Herzegovina, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia and Romania). In a recent analysis the Fund projected that in the best case scenario the total IMF financing for the region will cost $1.3 billion. The breakdown of the costs involved are detailed in the IMF study which looked at two scenarios. Economic output in the region has been reduced by an estimated five percent. This, in turn, will lead to a large trade imbalance—estimated at nearly $2 billion. The IMF study along with the United Nations interagency cost projections for the remainder of this calendar year are now available on the internet. http://www.worldbank.org/

In Europe, the European Commission has estimated that the reconstruction of Kosovo alone will cost $18 billion. At the G–8 Summit in Cologne, European delegates were hinting strongly that the United States—which currently has a large budget surplus—should bear the brunt. The United States was responsible for 85 percent of the war damage, and it should pay a commensurate share of the reconstruction effort. Incidentally, EU countries have paid 60 percent of the reconstruction costs in Bosnia.

As for the United States, President Clinton has noted that Washington did its share in providing two-thirds of the aircraft and all the cruise missiles for NATO's 78-day air war. At about $100 million a day, that comes to more than $7 billion. In a foreign aid bill approved last Thursday by the US Senate Appropraitions Committee, about $535 million is targeted for the Balkan region but none of it has been allocated for Serbia.

It is vital that an agreement about who will pay is reached as soon as possible. Responsibility on the part of the United States for the destruction of Yugoslavia's infrastructure as a result of the US-led bombing campaign is an important first step. Considering the costs in human terms, rather than just purely as numbers would also help to focus attention on the severity of this problem. If you make a mess and don't have to clean it up, you aren't likely to think much about the consequences of making another mess in the future.

Even while the initial assessments are being made, it is almost certain that the costs, not least the costs of maintaining an armed military or peace enforcement presence in the region, are going to increase sharply over short periods of time. One major additional expense will be the peacekeeping operation itself, both military and civilian.

Given the extended period for which peace enforcement troops are likely to remain in place, some analysts argue that peacekeeping could prove even more expensive than the war. For example, the Royal Institute of International Affairs in London has calculated that, with a projected K-For presence of about 50,000 troops, the bill could amount to as much as $25 billion a year.

Increases in the costs of enforcing the Dayton peace accords and repatriating displaced refugees affected by the war in Bosnia also provides us with a relevant and recent example of the extent of the problem in Kosovo. The post-Dayton pricetag has increased enormously since 1995, and the enforcement of the civilian provisions of the accord has fallen woefully short of its stated goals, creating a multiethnic peaceful society.

Currently, the Stabilization Force, or SFOR is still made up of 30,000 Troops; 6,900 are Americans. According to the record of the Military Operations in the Federal Republic of Yugoslavia Limitation Act of 1999:

The deployment of United States ground forces to participate in the peacekeeping operation in Bosnia, which has resulted in the expenditure of approximately $10,000,000,000 by United States taxpayers to date, which has already been extended past two previous withdrawal dates established by the Administration, and which shows no sign of ending in the near future, clearly argues that the costs and duration of a deployment of United States ground forces to the Federal Republic of Yugoslavia to halt the conflict and maintain the peace in the province of Kosovo will be much heavier and much longer than initially foreseen.

As Senator Kay Bailey Hutchison recently pointed out ''We have tried an experimental Balkan policy in Bosnia. It is not workable. Thousands of American troops are there with no end in sight. The head of the international observer group has fired elected officials and canceled sessions of parliament because opposition parties oppose what we are doing in Kosovo. People vote in elections and then cannot stay and serve where they are elected.''

Unfortunately the history of the war in Bosnia is repeating itself in Kosovo. NATO officials are interpreting their defeat of Slobodan Milosevic as an important example for the future. The lesson they are drawing is that military force can effectively serve humanitarian purposes, and that NATO must be prepared to use its military might again. A new ''Clinton Doctrine'' is reportedly being developed in Washington to emphasize this point. Bombing and military force are being justified as legitimate means of preventing genocide and human rights abuse. The ground is thus being prepared for future bombing campaigns and military interventions, as NATO increasingly assumes the role of global policeman.

There is another way. The use of military force was not necessary to resolve the crisis in Kosovo, and it need not serve as a primary basis for securing global peace in the future. More effective and less destructive means exist for exerting pressure on wrongdoers and encouraging international cooperation. The key to securing the peace in Kosovo and beyond is not military might but economic power. Through the judicious application of economic sanctions and incentives, coupled with support for early monitoring to prevent conflict from escalating into wars, the United States and its partners can more effectively enforce civilized standards of behavior and lay the foundations for cooperation and security, not only in Yugoslavia but around the world.

History teaches that the greatest force on earth is not military might but economic power. Civilizations rise or fall more on the basis of their economic and social vitality than their military prowess. The Soviet Union was a military superpower but an economic weakling. When the underlying economic and social rot caught up with the military-political superstructure, the Potemkin village of Soviet power collapsed. The greatest strength of the United States lies not in bombers and missiles but in the extraordinary dynamism and creativity of its economy. Over the long run the power to give or withhold economic benefits is the most effective and creative way to influence human behavior. The use of economic power—providing inducements for cooperation, and applying sanctions against wrongdoing—offers the best hope for advancing the goals of peace, democracy, and human rights.

Sanctions are often dismissed as ineffective, but a closer look reveals that they have been successful on a number of occasions, including in the Balkans. During the 1992–95 crisis in Bosnia, the U.N. Security Council imposed economic sanctions against Yugoslavia to encourage Serbian support for a negotiated settlement. An extensive system of sanctions monitoring and enforcement was established in cooperation with neighboring European states. These U.N. sanctions were described in a report from the Organization for Security and Cooperation in Europe as ''the single-most important reason for the government of Belgrade changing its policies and accepting a negotiated peace agreement.'' Military analyst Edward Luttwak has written that ''sanctions moderated the conduct of Belgrade's most immoderate leadership.'' While other factors contributed to the Dayton peace accords, including the Croatian-Bosnian military offensive of August/September 1995, U.N. sanctions played a role in bringing the parties to the bargaining table.

U.N. sanctions were employed again at the beginning of the Kosovo crisis, but the effort was half-hearted. In March 1998, as fighting in Kosovo intensified, the Security Council imposed an arms embargo on Yugoslavia. No effort was made to enforce the embargo, however, and no further steps were taken to increase sanctions pressure. Nor were efforts made to develop the kind of elaborate monitoring and enforcement machinery that was so effectively employed by the European community during the earlier episode.

Sanctions could yet contribute to a resolution of the Kosovo crisis, as part of a package of inducements and coercive measures designed to enforce the terms of the peace agreement. Working through the U.N., the United States and its partners should bring to the table a credible package of sanctions and incentives to persuade the Serbs and Albanians to begin to resolve their differences and strive toward cooperation and reconciliation.

The sanctions part of the package might include the threat to go beyond the present arms embargo to impose targeted sanctions against those who renege on their obligations under the peace settlement. Among the selective measures that might be applied are aviation and travel bans, the freezing of financial assets, and the blocking of government and leadership financial transactions. The prospect of a selective oil embargo, targeted against refined petroleum products, might also be part of a sanctions package.

The incentives package might include the progressive lifting of sanctions, the encouragement of investment and trade, and a massive aid and reconstruction program for the region's battered infrastructure and crippled economy. Huge levels of humanitarian assistance will be needed for returning Kosovar refugees and vulnerable populations in Yugoslavia and surrounding countries. The delivery of economic assistance and development

aid should be used to encourage compliance with the peace settlement and a greater commitment to democratization. Aid should be targeted to those constituencies and sectors which have a demonstrated commitment to democracy and human rights and which are most likely to support a long term process of conflict resolution and multi-ethnic cooperation. The delivery of aid should be conditioned on compliance with the peace settlement and should be delayed or suspended if the recipient groups balk or refuse to cooperate with one another in creating a new, more cooperative society.

The promise of economic prosperity is a powerful incentive for encouraging democracy, human rights, and respect for the rule of law. The desire for participation in the European system of economic development and political cooperation is an especially strong inducement for many people in the Balkans. Even in Serbia political leaders have voiced a desire to be part of the European community. Some argue that the decision to exclude Yugoslavia from Europe in the late 1980s contributed to the breakup of the country and the consequent armed conflicts. Offering now to integrate the countries of the Balkans into the European system of prosperity and cooperative development could be an effective inducement for conflict resolution and prevention. This is the concept of ''association-exclusion,'' as opposed to the traditional ''compellence-deterrence'' approach embodied in NATO military policy. The greatest hope for a more cooperative future lies not in the power to punish, but in the creative use of association as a means of rewarding those who abide by civilized standards of behavior while excluding those who do not.

Because the conflicts in the Balkans are interconnected, and the economies of the region were once closely linked, it is important to view the region as an integrated whole, and to develop an aid program that applies to the entire region. Economic assistance should be designed not only to rebuild war-related damage but to lay the foundations for future economic development and interdependence. Economic assistance should be offered not only to Kosovo but to Serbia, Albania, and all the republics of the region. By making an extra effort now to raise the economic and social standards of the entire region, the United States and its European partners can help to establish the conditions for cooperation in the future and thereby reduce the likelihood of renewed warfare. This in turn will hasten the day when NATO forces can safely leave the region.

The United States and its allies have made an enormous military commitment to the region. Now they must make an even larger economic commitment to create the conditions for a lasting peace. The centerpiece of an economic strategy for peace should be a massive reconstruction and economic development program for the Balkans. The proposed assistance program should be on the scale of the Marshall Plan. At the end of World War II the victorious allies invested massively in rebuilding war-torn Europe and helped their former enemies recover economically and become functioning democracies. The strategy was a brilliant success that laid the foundation for European prosperity and cooperation and that has helped to secure the peace in Western Europe for more than 50 years.

No less an effort is needed now to bring prosperity and security to Southeast Europe. The guiding vision of U.S. and European strategy should be to create prosperous, democratic, economically interdependent states throughout the Balkans—to build societies where people trade rather than invade, where commerce, communication, and interdependence gradually break down the animosities that have so often fueled armed conflict in the region.

The price of a massive multi-year economic assistance and incentives package for the Balkans will be huge, but it is far less than the costs of indefinite military occupation or the losses that would occur in future wars and armed conflicts. The price of peace is surely less than the cost of war.

Only through a long-term program of economic assistance and political engagement can the United States and its partners ensure that the war for human rights has truly been won.

WELCOMING HOSNI MUBARAK

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. CONDIT. Mr. Speaker, today we were honored to welcome Hosni Mubarak, the President of the Arab Republic of Egypt, to Capitol Hill. A leader in the Arab world, President Mubarak is considered by many of us to be a friend and trusted ally.

President Mubarak was awarded an honorary degree of laws by George Washington University during his Washington visit. In his remarks at the University's ceremony, President Mubarak stressed the importance of economic progress in Egypt. Under Mubarak's leadership, Egypt has implemented significant economic reforms, including economic privatization, revival of the stock exchange, and IMF and World Bank reform programs. President Mubarak also discussed the crucial role Egypt continues to play in the Middle East region as the first Arab country to make peace with Israel. As many of my colleagues know, Egypt has long been a strong ally of the U.S. and a force for stability in a volatile region of the world. President Mubarak was optimistic about the prospects for the peace process with the new Government in Israel.

I would like to share with my colleagues President Mubarak's June 29, 1999, address to a crowded assembly at George Washington University.

SPEECH OF H.E. PRESIDENT MOHAMED HOSNY MUBARAK ON THE OCCASION OF THE AWARDING OF A DOCTORATE HONORIS CAUSA, GEORGE WASHINGTON UNIVERSITY, JUNE 29, 1999

President Trachtenberg, Faculty Members and Students of George Washington University, Ladies and Gentlemen, it is a great privilege to be with you today to receive this honorary degree, from one of the leading centers of learning and excellence of this great nation.

For many years your institution has been dedicated to the shaping of minds, the building of character through knowledge, through study and the pursuit of truth. In this, it has contributed to building a better world. But most importantly it has helped in building the future; as each mind, strong in its knowledge, richer in its humanity and confident in its powers, reaches for its ambitions, to build a better tomorrow of peace and well-being.

In the Middle East we also seek a future of prosperity. Over the years Egypt has strived to build a sustainable peace. And for over twenty years, it showed the way. Throughout we forged a path to conquer decades of enmity, of wars, of grief, and wasted lives. On this path of trust, of commitment to a just and lasting peace, we sought the respect of the rights of all to legitimacy, to security and to the pursuit of a prosperous future.

The road ahead is still long and the obstacles many, but we have seen the birth of a new hope. A new government in Israel has come to power. It holds the promise of better days for the peoples of Israel and Palestine.

For over two decades, the United States and Egypt have worked together. We have drawn from the deepest recesses of our rich pasts, our cultures of peace, our traditions of tolerance and commitment to prosperity to make a lasting future happen.

We built on the friendship that binds our two nations, to bring together enemies, bridge suspicions, draft compromises, and build the foundations of a lasting dialogue. And over the years we have shown that the partnership that unites us, the trust we have in each other can be the catalyst that will, one day, one day soon, bring back tranquility to this holy land.

In Egypt, over twenty years ago, we turned the page on a long history of wars. We turned our energies towards rebuilding the Egypt that we have known throughout the centuries. An Egypt that is strong and prosperous. One that holds the promise that its sons and daughters are entitled to. We rebuilt the infrastructure: the bridges, the roads, the power, the water, the ports and the cities. We recreated our society to seek progress in stability and in freedom, in growth and most of all in peace.

In the early nineties, we restored the financial balances that will usher us into the twenty-first century. A strong economy, open to the world, liberal, market driven and caring for the welfare of all its people. We built the institutions, drafted the laws, and trained the people so that we may join the world in its prosperity. We have come a long way, and look forward, with confidence, to a longer way still, to reach a society that is equal to the challenges ahead.

We worked to integrate the world economy, join its ranks, seek its rules and abide by them. We opened our markets, and freed our trade. We welcomed investment and shared our resources. We are building our economy to the scale of global competition.

But the challenges ahead have changed in the last few years. A world economy of closeness, of open borders and of shared prosperity has given way to instability and hardship. In country after country, long years of development have vanished when investor sentiments changed in far away markets. The global economy of the twenty first century will bring us closer together, but it can also push us further apart. Now more than ever before global prosperity has come to rely on the welfare of each one of us. But can this really be so? Can we really build our world on a culture of cooperation?

Doubt has seeped in many a mind. Can we really rely on each other for our common prosperity? Will this global economy be an economy of shared responsibility, of common purpose and common means? This last year has seen efforts to change our global institutions to better our dialogue and to join efforts in development. A few weeks ago, the group of eight industrial nations agreed to

share the burden of debt of the poorest countries. Will it also agree to share its affluence with them? We have all embraced market forces as the guide of our development. But we must harness them to serve our common purpose. The global economy stands at a crossroads between a polar world of rich and poor and a true partnership for a common future.

Let our children say one day that when we had to choose, we chose the difficult path but we chose well and most of all, we chose together.

But our reforms must not be just economic, they must reach deep into our societies. They must reach into our civil institutions, our political structures, our human capital and our intellectual regeneration.

Economic reform and the gradual liberalization of markets all over the world reduced the role of governments. They also opened up unlimited prospects and frontiers for both the private and the voluntary sectors. Each of them is now a full partner with the government in setting policies and in implementing them. In Egypt, we have encouraged this partnership for the benefit of all citizens.

Today our private sector stands at the forefront of our efforts to modernize and grow. Egypt's spirit of private initiative has been revived. And this spirit is allowing people to pursue their dreams, to realize their full potential and to play an active part in building their future.

The Egyptian Government has learned, through hard experience, that its role is that of a regulatory, a facilitator, a guarantor of basic rights, and a provider of urgent help for those who are in need during the difficult period of transition. Above all, it is responsible for encouraging and protecting an environment in which the private sector can create jobs, wealth, goods and services. With these, come stability, security, and a sense of shared responsibility that is the essence of human society.

And at the forefront of the institutions of civil society, stand political participation and the extension of democracy and accountable government.

The road to democracy is a long one, and we travel it with confidence. We have not turned back under the most difficult conditions, economic hardships, social pressure, malicious terrorism and narrow-minded intolerance. And we will not turn back, nor will our belief in the rule of law be shaken. We will work towards consolidating our democracy gradually, steadily, and in the spirit of tolerance and cooperation that is known of the Egyptian people.

But civil society is about much more than parliamentary democracy. It is about complementing good government and creating communities with shared values. For many centuries, the voluntary sector in Egypt played a crucial role in binding our society together, even during some of the hardest times. The spirit of charity and compassion advocated by Christianity since the Holy Family's journey in ancient Egypt, and the strong message of sharing carried forward by Islam fourteen centuries ago, have both endowed our society with a deep sense of civil responsibility. Today, as a result of falling boundaries all over the world, a global agenda for social development is being put forward. Our voluntary sector must be involved in the setting of such agenda and in playing an active part in its implementation.

Our success in redirecting our economy and reviving our civil institutions is real. It is tangible and we build on it. But what is the value of success if it is not based on human dignity? Indeed, can there be any success if the human being is neglected?

The only long term guarantee of sustainable development, the main source of value and competitiveness, is investment in human capital. Egypt's history and ancient civilization taught us this reality. For thousands of years, investment in human capital was the cornerstone of every success. It allowed pyramids to be built, rivers to be tamed, innovations to be discovered, and art to flourish.

Our investment in human capital has been in all fields. It covers education, health and basic services. It aims at preserving the environment, encouraging creative thinking and maintaining family values. It is conscious and respectful of human rights in the most comprehensive sense. Human rights which include every individual's right to freedom of speech, of expression and intellectual fulfillment, the right to a happy childhood, to a productive life and a peaceful retirement, to a decent environment, basic services, shelter, and food. Moreover, it aims at building cultural bridges with people throughout the world.

But beyond this, the key to our basic development is the status and role of women in our society. For this we have used every means to improve women's share in education, in health services, in job opportunities, and in leading a fulfilling life as members of a family, a community and a country.

But the true essence of Egypt's endurance and prosperity over the centuries, is the sense of belonging to one community. One nation founded on equal worth and equal rights for every individual. Throughout the centuries, Egypt sheltered people from every origin, background, creed and race. Their traditions and cultures, their habits and customs have melted to form one people. This is a country where all are equal in law, in practice and in spirit, men and women, peasants and urban dwellers, rich and poor, regardless of their creed or beliefs.

Since the dawn of time, Egypt's position in the world, its natural resources and cultural diversity have allowed her to be at the crossroads of civilization. The same is true today. We have built a country of the twenty-first century that has bridged millennia of history with a boundless future, the traditions of old and the energy of youth. We have blended economic reform and social balance, western progress and eastern values. A haven between a prosperous North and a South full of promise. We seek to modernize by embracing change and not defying it, centered around human nature selfless and self-interested, cooperative and competitive all at once.

We are a country that has found its balance. We will share it in friendship with all.

In this place of learning, in this place of excellence, you foster sharing, understanding, and tolerance. You bring forth the future like we do in reform. And in the end we must join hands, for the many lives we change, will one day, shape the century to come in the image of our dreams.

Thank you very much.

SWOYERSVILLE ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to bring to the attention of my colleagues the Centennial Anniversary of Swoyersville Borough in Northeastern Pennsylvania. The Borough will celebrate at a banquet on July 3. I am pleased and proud to have been asked to participate in this event.

Originally part of Kingston Township, Swoyersville first sought incorporation as a borough in 1888, but the action was challenged in court. Eleven years later, the Superior Court of Pennsylvania sustained the incorporation and the Borough was officially born.

Named for coal baron John Henry Swoyer, mining was the major industry in the Borough at the time. Swoyersville was broken up into sections, such as Shomemaker's Patch and Maltby, with several smaller sub-divisions within the sections. The patches were groups of company homes owned by the coal companies. Today, coal mining is just a part of Swoyersville's history, as are the garment and clothing factories which replaced that industry.

In 1972, when Tropical Storm Agnes caused the Susquehanna River to overflow her banks, eighty percent of the town was inundated. Like all residents of the Wyoming Valley, the townspeople pulled together during the summer of 1972, shoveled mud out of their homes, and began to rebuild. Today, Swoyersville flourishes as a beautiful residential area.

Mr. Speaker, I am proud to join with the community in recognizing this milestone anniversary of the Borough Charter. I send my sincere best wishes to the people of Swoyersville as they gather for their Centennial Celebration.

VERMILLION COUNTY'S 175TH BIRTHDAY

HON. STEPHEN E. BUYER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. BUYER. Mr. Speaker, I rise to honor the 175th birthday of Vermillion County, Indiana. Nearly two centuries of proud history and tradition encompass an area only seven miles wide and 37 miles long. The county's unusual shape was formed in order to better govern and patrol the area when it was still a frontier on the Wabash River.

Vermillion County gained its name from a French translation of a Miami Indian word meaning "red earth," or clay. For years, clay provided a major business for this county. Now businesses such as Eli Lilly, Inland Container, Public Service Indiana, Peabody Coal, and the Newport Army Ammunition Depot are the major employers that exist in this "red earth" county.

Even though Vermillion County is small in size, many notable figures have called it home. Henry Washburn, a Newport lawyer, was appointed Lieutenant Colonel of the 18th Indiana Volunteer Infantry Regiment during the Civil War. Washburn and his regiment served heroically in several battles such as Pea Ridge, Ulysses S. Grant's Vicksburg campaign, and Sheridan's Shenandoah Valley campaign. After the Civil War, Washburn was elected to the U.S. House of Representatives where he contributed to the creation of Yellowstone National Park.

Born on a farm near Dana was yet another historic figure, the famous World War II correspondent Ernie Pyle. Pyle accompanied American serivcemen in both the European and Pacific theaters. Pyle's work portrayed the grim aspects of war and also the lighter moments between the chaos. His writing was, and still is, seen as some of the best journalism of the twentieth century.

Besides historical figures, Vermillion County has also been home to entertainment personalities as well. The actor Ken Kercheval was born in Wolcottville. One of his most notable acting jobs was on the hit television series "Dallas." Kercheval has even had a guest appearance on "ER." Another Vermillion native is Jill Marie Landis. Landis is a nationally best-selling author. She has written 13 award winning books. Landis claims that her childhood in Clinton, Indiana, helped to inspire her stories.

I congratulate all of the residents of Vermillion County who are taking part in the 175th birthday celebrations.

IN REMEMBRANCE OF HIS HOLINESS KAREKIN I

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. BONIOR. Mr. Speaker, today in Armenia, the spiritual leader of the Armenian Apostolic Church passed away after a serious illness. I was saddened to learn of the death of His Holiness Karekin I, the Catholicos of the Armenian Church.

Elected as the 131st leader of the Armenian Church following the death of Vazgen I in 1995, Karekin I called for a peaceful solution in Nagorno Karabagh.

Karekin I, who led the church for 4 years, spent much of his time visiting with the faithful, who live in many different areas of the world. Prior to rising to become the Catholicos, His Holiness was educated at Oxford, England, and he served the church in Lebanon, Iran and New York.

His Holiness was an important world figure. He was among the most prominent spiritual leaders—a man who was important not only to Armenians but to people of all faiths. He was a well-respected figure throughout America. Not only did Karekin I serve the church in New York, but he also visited communities throughout the United States frequently.

As millions of Armenians mourn his passing, we will all feel a deep loss. He stood for peace and justice. He was known as an eloquent and passionate orator. He worked with other religious leaders to strengthen the ties and understanding between people of different faiths.

Karekin I led a church whose history dates back to 301 A.D., when King Trdat III proclaimed Christianity as the state religion of Armenia. For much of the past fifteen centuries, the Armenian Church and its spiritual leaders have been the embodiment of the national aspirations of the Armenian people.

As the people of Armenia move forward towards peace and prosperity, it is important to remember those who have helped lead the way. The commitment of Karekin I to the faith and to the Armenian people will not be forgotten.

DOING GOOD FOR HUD

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. FATTAH. Mr. Speaker, I commend the following article to my colleagues from The Philadelphia Inquirer on the Department of Housing and Urban Development's activities in Philadelphia.

[From the Philadelphia Inquirer, June 22, 1999]

DOING GOOD FOR HUD

FOR A BUREAUCRACY, IT'S A STARTLING MOVE: SENDING SKILLED PROFESSIONALS OUT OF THEIR OFFICES WITH SWEEPING ORDERS TO HELP PEOPLE. THEY ARE ''COMMUNITY BUILDERS'' IN WHAT HUD SECRETARY ANDREW CUOMO CALLS ''AN URBAN PEACE CORPS.''

(By Maida Odom)

John Carpenter drives past rubbish-filled lots in Philadelphia, wondering if there's some way to get them into the hands of owners who would clean them up.

Cynthia Jetter solves problems and investigates complaints from advocates for the disabled—the same people who last month protested outside her employer, the U.S. Office of Housing and Urban Development in Washington.

And Michael Levine, a career Washington bureaucrat now in Philadelphia, is getting to see some of the social programs he helped design. ''When you come in and meet people in a situation, you realize no program in itself is going to solve the problem,'' he says.

They are executives who have left their offices—''outsiders'' with connections, insiders now on the street.

They are HUD employees, members of a unique group of two-year ''fellows'' called community builders. Handpicked from inside and outside HUD, these special workers—about 900 at 81 offices nationwide, and 26 in Pennsylvania—have an extremely broad mandate: Do good.

Jetter was a HUD employee who left to work at the Philadelphia Housing Authority and then returned. Carpenter formerly headed a Community Development Corp. Both are assigned to the Philadelphia office, as is Levine.

HUD Secretary Andrew Cuomo, who announced the program in March of 1998, dubbed these ''fellows'' an ''urban Peace Corps''—knowledgeable professionals from private industry, social services, other branches of government and elsewhere temporarily added to a HUD talent pool that has been winnowed through years of budget cuts.

Karen Miller, who heads HUD's mid-Atlantic region, which is based here, helped write the ''community builders'' job description.

''What has been expected of HUD's staff was schizophrenic,'' she said. HUD bureaucrats were the ''cops'' who guarded public dollars, she said, while at the same time they were expected to offer technical assistance to the people being monitored.

''The Secretary [Cuomo] separated the two roles,'' she said. ''The great majority [of HUD employees] are still defenders of public dollars,'' involved in awarding grants, moving applications through the system and monitoring spending.

''Community builders are the ones who go out and work with the community and help them do what they want and need to do.''

In almost two decades as a Washington-based bureaucrat, Levine saw himself getting further away from his personal career goal ''to go out and help communities develop.''

As a HUD executive he was writing programs and evaluating projects. Eventually, there were few fact-finding trips into the field to see firsthand what he was planning and administering.

About half the community builders are like Levine, people who had worked inside HUD and are now getting a chance to see their work in action.

Being in the area of welfare-to-work for about a year has been eye-opening, he said. Over that period, Levine has arranged for more than 700 people—public-housing managers and tenant leaders—to get special briefings explaining the new welfare-reform laws.

In Washington, he had administered and written a program offering public-housing tenant councils $100,000 grants to develop job opportunities. ''They didn't want to spend the money for fear of getting into trouble,'' Levine said.

Now, as a community builder, he's helping bring together public and private sources to create computer centers at public housing developments. ''A computer center is a place where children can go after school, where adults can get the literacy they need,'' he said.

''When I ran that program in Washington I didn't see the money being used that way. You get a different perspective. You don't realize the nuances.

''It's not like I learned any big new things to shock me. But things are much clearer now.''

Before she met Jetter, Nancy Salandra, project coordinator for the Pennsylvania Action Coalition for Disability Rights in Housing, generally found herself fighting to get HUD to listen.

Jetter has been ''a terrific person to work with,'' Salandra said. ''What she says she's going to do, she does.

''She has the knowledge; she has the understanding of housing; she has the understanding about HUD; and she understands how the system overwhelms people.''

In addition to meeting with groups that usually come to HUD with complaints. Jetter is bringing together people who work on housing for veterans and disabled and homeless people. She also is trying to organize a tracking method to keep up with who needs services and who's receiving them.

''We need to track the impact of programs [and] track housing, and we can better address the needs of the population.''

Jetter worked for HUD for 14 years before taking over as head of resident services at the Philadelphia Housing Authority. She left there for a research project at the Manpower Demonstration Research Corp. in New York. Last fall, she rejoined HUD as a community builder. When Jetter left HUD, she thought she'd never go back. For most of her years with the agency, she felt it was growing farther away from the people it served.

People ''were numbers,'' she said. ''This is a big step for HUD to take people in from the outside. And the response has been overwhelming. P.R. for HUD is a big part of it. We go to every meeting we can, try to be a visible as possible. After a meeting, people are almost knocking you down to get your card.

''We used to be the ones who said 'Gotcha!' Now people can talk to us before they get into trouble.''

Carpenter, who formerly headed the New Kensington Community Development Corp., where he won praise for clearing and reusing vacant lots, joined HUD last summer. In this job he's been able to pull together people he could not have assembled in his old job.

For example, a group of American Street area residents and representatives of a community development corporation there were working together earlier this year, hoping to obtain funding to design projects for property acquisition and housing preservation.

Carpenter, according to Santiago Burgos, director of the American Street Empowerment Zone in North Philadelphia, was able to help people working in the area ''think through to design a project to consolidate those goals.'' Carpenter helped them see that they needed money for pre-development and environmental testing. Their improving planning made it easier to identify and get funding, Burgos said.

In addition, Carpenter brought in the right people as advisers and consultants, Burgos said, and ''shortened the learning curve'' for the community people, moving things forward faster.

Such projects are close to Carpenter's heart.

''Frankly, it's one of Philadelphia's biggest disgraces—what happens to vacant land once the building is torn down. The city essentially abdicates responsibility. They do not clean it, they do not maintain it, they do not cite the owners for not maintaining it.

''For a developer driving by here, the first gut-recoiling reaction is, 'Why would I even build here if the people who live here tolerate this? What would they do to my store? What would they do to my business?' ''

Although the problem is vast, Carpenter said—in the city there are about 40,000 vacant buildings and 30,000 vacant lots, most privately owned—he thinks it can be tackled.

''Having the HUD seal of approval gets people to listen to me,'' he said.

PERSONAL EXPLANATION

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. WATTS of Oklahoma. Mr. Speaker, I was granted a leave of absence for Monday, June 29, 1999. Following are the Suspension votes I missed and how I would have voted:

On Passage of H. Con. Res. 94: On rollcall vote No. 259, I would have voted ''yea.''

On Passage of H. Res. 226: On rollcall vote No. 258, I would have voted ''yea.''

On Passage of H.R. 2280: On rollcall vote No. 257, I would have voted ''yea.''

Lastly, I would have voted ''yea'' for H.J. Res. 34; H.R. 1568; H.R. 2014 and H.R. 1327 all passed by voice vote.

IN RECOGNITION OF COACH RAY SMOOT ON THE OCCASION OF HIS RETIREMENT AFTER 41 YEARS AS A TEACHER, COACH AND PRINCIPAL

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. RILEY. Mr. Speaker, I rise today to recognize Coach Ray Smoot on the occasion of his retirement from a teaching career that has spanned 41 years.

Ray Smoot has served children from kindergarten through high school. He has been a teacher, a coach and a principal. Today, he will retire as Principal of Talladega High School in Talladega, AL.

Ray Smoot had to work hard for his education, and he has always promoted the importance of education. He might have chosen another field, but he wanted to teach. Now he can take pride in knowing that he has made a difference in the lives of so many people, helping them to see the value of education and recognize their potential.

I salute Ray Smoot on his outstanding career.

IN HONOR OF VINCENZO MELENZIO

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today to honor Vincenzo Melenzio for his assistance to the United States forces during World War II.

Mr. Melenzio, or ''Enzo,'' was an Italian navy radioman who after the Germans had taken over the Italian Government, defected and volunteered for action against the Germans with the Office of Strategic Services (OSS).

Mr. Melenzio was employed by the OSS for four months in the winter of 1945 as a behind-the-lines radio operator. He served with the OSS 2677th Regiment along with approximately 750 Italian partisan led by 9–10 Americans.

On May 11, 1945, Mr. Melenzio received a certificate of appreciation for his services from Col. Russell D. Livermore, commander of all Special Operations Units in the Mediterranean area. Furthermore, the United States Army, in a memo to the Italian Navy, recommended Mr. Melenzio for the bronze medal.

It is appropriate that Mr. Melenzio be recognized for his bravery, and for his service to both the United States, and to the international community at large.

THE HOLOCAUST ASSETS COMMISSION EXTENSION ACT

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. LAZIO. Mr. Speaker, as we approach the new millennium, it is right and proper that we look forward to the bright future before us. Yet mileposts like these, like old photographs, evoke reflection on the past, not just of our triumphs but also our tragedies. Today I want to draw our attention back to the past, back to one of the most tragic chapters in all of human history, to the Holocaust and its aftermath.

The horrors of the Holocaust are well known: six million Jews murdered, along with millions of others deemed ''undesirable'' by Adolf Hitler and his followers. It is often overlooked, however, that the Holocaust was not only one of the largest mass murders in history, but also the largest organized theft in history. The Nazis stole, plundered, and looted billions of dollars of assets. A half-century later we still lack a full accounting.

One year ago, Congress passed and the President signed legislation creating the Presidential Advisory Commission on Holocaust Assets in the United States. The Commission has two goals. The first is to conduct original historical research into the question of what happened to the assets of Holocaust victims that came into the ''possession or control'' of the Federal Government. This research will also include a review of work done by others looking into the matter of assets that passed into non-Federal hands, commodities that included gold, non-gold financial assets, and art and cultural property. The second is to recommend to the President the appropriate future action necessary to bring closure to this issue.

As a member of the Commission, I feel compelled to address the question, ''why now?'' Why, as we look forward to the new millennium, are the resources of the United States and 17 other nations being devoted to learning the truth about the treatment of Holocaust victims half a century ago?

The answer is simple. Holocaust survivors are aging—and dying. If we are ever to do justice to them, and the memory of the six million Jews and millions of other victims who perished, we must act quickly. The intransigence of the Swiss and others has inflamed passions and energized advocates throughout the world. Justice delayed is justice denied. And with the end of the Cold War, we have the opportunity to look at the immediate post-World War II period with a fresh perspective.

Even if the world were so inclined, it is now impossible to pretend that justice was done. We know too much. We know that in Europe banks sat on dormant accounts for five decades; that insurance companies evaded their responsibilities to honor policies held by victims; that unscrupulous art dealers sold paintings that wee extorted from Jews who feared for their lives; and that gold from Holocaust victims was resmelted, often becoming the basis for financial dealings between large corporate entities.

The Holocaust Commission Act assumes a sunset date of December 1999. Because of the delay in starting a new enterprise from scratch and because of the enormous volume of archival and other resources that need to be examined, it is clear that the commission must have more time and more funding to accomplish its mission.

Therefore, in acknowledgment of this need, I am introducing the Holocaust Commission Extension Act. This act will do two things: extend the sunset date of the Commission to

December 2000 and authorize the Commission to receive additional funding. I am joined today by my colleagues on the Commission: Chairman BEN GILMAN, JIM MALONEY and BRAD SHERMAN, as well as JOHN LAFALCE of the House Banking Committee, and Banking Committee Chairman JIM LEACH, who has led the way on this issue. The effort to create the Commission has been bipartisan and will remain so. Honoring the memories of the victims and the pursuit of justice in their names cannot be sullied by politics as usual. I invite my colleagues on both ends of the aisle to cosponsor and support this bill.

We are all familiar with George Santayana's famous quote—"Those who cannot remember the past are condemned to repeat it." With this quote comes the unspoken prerequisite: the truth must be established and acknowledged before it can be remembered. The United States, along with every other nation, must therefore remember the Holocaust as both history and as an unfolding of human tragedy. I am confident that the Commission's efforts will demonstrate that as Americans we are willing to confront our own past, and in so doing, we will demonstrate our leadership in the international effort to obtain justice for the victims of the Holocaust and their families.

NAFTA–TAA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. RANGEL. Mr. Speaker, the authorizations for the Trade Adjustment Assistance (TAA) program and the NAFTA Trade Adjustment Assistance (NAFTA–TAA) program expire today, June 30, 1999. Accordingly, I am introducing legislation to reauthorize the programs through fiscal year 2001. There should be no gap in the authorizations for these vitally important programs, which have long enjoyed bipartisan support.

Efforts to increase the participation of the United States in global trade are essential to the continued growth of our economy. However, when increased trade is a cause of dislocation for some U.S. workers and firms, we must be prepared to respond. The TAA programs are the cornerstone of our longstanding efforts to cushion the impact of the blow for employees and businesses who have been harmed by imports. Most important, TAA provides retraining and technical assistance so these workers and firms can thrive in the new economy.

A number of reforms in the TAA programs have been proposed recently. The legislation that I am introducing today is intended to continue these programs as their Congressional authorization is set to expire. However, the bill is not meant to preclude important discussions of broader, systemic changes.

CELEBRATING THE FIFTH ANNIVERSARY OF THE WEST ANGELES COMMUNITY DEVELOPMENT CORPORATION

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. DIXON. Mr. Speaker, I am pleased to commemorate the fifth anniversary of the West Angeles Community Development Corporation (CDC). This thriving community development organization was founded in 1994 as an outreach program of the West Angeles Church of God in Christ, a 15,000 member congregation in the Crenshaw area, located in my Congressional District. The West Angeles CDC is dedicated to economic empowerment, social justice, and community transformation for its surrounding South Los Angeles area.

The West Angeles CDC has achieved success in developing a school-based training program in peer mediation named PeaceMakers, launching a job placement assistance program, providing renters' assistance and case management services to families displaced from housing, and providing emergency food assistance to those in need. In addition, the CDC recently built the West A Homes, a 44-unit apartment complex for large low-income families.

In recognizing the significant outreach ministry of the West Angeles CDC, I must highlight the outstanding leadership of the organization's distinguished Board of Directors: Bishop Charles E. Blake, Pastor of the West Angeles Church; Lula Ballton, Esq., Executive Director of the CDC; Dr. Desiree Tillman-Jones, Chairperson of the Board; Mrs. Belinda Ann Bakkar; Mrs. Jueline Bleavins; Mr. Mack Bruins; Ms. Stasia Cato; Mrs. Nancy Harris; Mr. Harold T. Hutchison; Mrs. Janet Johnson-Welch; Ms. Nathalie Page; Ms. Sandra McBeth-Reynolds; Rev. Donald T. Paredes; Mr. Maurice Perry; Mr. Mark J. Robertson; Mr. Roy Sadakane; Mr. Paul H. Turner; and attorneys Patricia S. Cannon, Anne C. Myles-Smith, and Wyndell J. Wright. These dedicated individuals have selflessly fulfilled the vision of the West Angeles CDC by bringing compassion, hope, and healing to the Crenshaw community they serve.

The West Angeles CDC's contributions to the South Los Angeles community have been invaluable. I congratulate them on their outstanding work and offer my best wishes for their continued success. With construction underway of a beautiful new West Angeles Cathedral, I am confident the West Angeles Church of God in Christ and the West Angeles Community Development Corporation can look forward to a long and prosperous future.

H.R. 2373, THE START-UP SUCCESS ACCOUNTS ACT OF 1999

HON. BRIAN BAIRD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. BAIRD. Mr. Speaker, I rise today to join my colleague from South Carolina in the introduction of legislation that will give owners of newly formed small businesses a new way to channel capital into the growth of those businesses.

I am very excited to join my colleague, Mr. DEMINT, in this effort. I'm pleased to serve alongside Mr. DEMINT on the Small Business Committee and have found that we see eye-to-eye on so many issues of critical importance to small businesses in our respective states. I believe that we share a common interest of helping small businesses thrive in our nation, and this legislation is a step in that direction.

Mr. Speaker, Small businesses are the economic foundation of southwest Washington. As my colleague mentioned, they account for nearly all new jobs in our economy. However, a majority of those new small businesses fail in the first few years of existence—largely due to lack of capital.

As currently structured, the tax system seems to penalize capital retention. Certainly, it provides disincentives for small businesses to save, which I believe is misguided policy.

As one who grew up with small business owners, I am aware of the struggles that one goes through in trying to build a business. My folks owned a small clothing store as I was growing up, and went on to run a small ice-cream and sandwich shop. They certainly had their good years, and their bad and tried desperately to make ends meet during those less profitable years.

Mr. Speaker, this legislation, the Start-Up Success Accounts Act of 1999, would help our small businesses save for those rainy days; and it would allow them to take a more careful, considered approach to investing in the growth of their business. By allowing business owners to set aside up to 20 percent of their profits in more successful years and defer tax on those profits until later years, this bill would put another instrument in the toolbelt of new small business owners, who need all the help that we can provide.

Giving small businesses a fighting chance to succeed isn't a Democratic issue or a Republican issue—it's an American issue. It's the common sense thing to do, and I am proud to join with my colleague in drafting and introducing this bill. I think that this straight-forward legislation will appeal to our colleagues on both sides of the aisle who see the simple benefits of promoting savings.

CIVIL ASSET FORFEITURE REFORM ACT

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1658) to provide a more just and uniform procedure for Federal civil forfeitures, and for other purposes:

Mrs. MINK of Hawaii. Mr. Chairman, I rise in strong support of H.R. 1658, the Civil Asset Forfeiture Reform Act.

The Constitution is the foundation of our great nation. From an early age we are taught

that we are entitled to basic rights and liberties, and we cherish these rights and protections afforded under our Constitution. When these rights are violated, we are quick to demand action and correction.

This is a time when we must demand action and correction. The current civil asset forfeiture laws abuse individual rights by denying basic due process.

Under current law, there are two kinds of forfeiture—criminal asset forfeiture and civil asset forfeiture. Under criminal asset forfeiture, if you are indicted and convicted of a crime, the government may seize your property if your property was used, however indirectly, in facilitating the crime for which you have been convicted.

I have no problem with that law. Not only is it a good deterrent against a number of crimes, but it does not deny anyone their Constitutional rights.

However, under civil asset forfeiture, the government can seize your property, regardless of the guilt or innocence of the property owner. The government can seize property merely by showing there is probable cause to believe that these assets have been part of some illegal activity. This means that even if there is no related criminal charge or conviction against the individual, the government may confiscate his or her property.

And property can be anything—your car, your home, your business. The government can take anything and everything premised on the weakest of criminal charges—probable cause.

Moreover, the current law gives little consideration to whether the forfeiture of the property results in a mere inconvenience to the owner, or jeopardizes the owner's business or livelihood.

To reclaim this property, no matter the inconvenience, the property owner must jump through a number of hoops.

First of which, the owner must pay a 10 percent cost bond or $5,000, whichever is less. For low-income people or for people who have been made poor by this civil asset seizure, coming up with the money for this bond may be extremely difficult or impossible. This bond serves to discourage people from contesting the seizure.

If a property owner can come up with this money, he still has the burden of proof.

The government should have this burden. We are still ''innocent until proven guilty.'' And under criminal law, that is the way it is. If someone is charged with a crime, the government has the burden to prove that the person is guilty.

However, under civil asset forfeiture, it is the exact opposite. The owner must prove, by a preponderance of the evidence, that either the property was not connected to any wrongdoing or the owner did not know and did not consent to the property's illegal use.

And to top it off, if the owner succeeds in reclaiming his property, the government owes him nothing for his trouble—not even an apology.

H.R. 1658 calls for reforms that protect the rights of innocent citizens while still allowing the government to pursue criminals and their property. First, H.R. 1658 puts the burden of proof, by clear and convincing evidence, onto the government, where it should be. Second, it gives the judge the flexibility to release the property, pending the final disposition, if the confiscation of the property imposes a substantial hardship on the owner.

Under H.R. 1658, Judges also would be able to appoint counsel in civil forfeiture proceedings for our poorest citizens to ensure that they are protected from the government's exercise of power. Furthermore, property owners would no longer have to file a bond, and could sue if their property is damaged while in the government's possession.

In our haste to punish drug traffickers, Congress failed to adequately protect the rights of our citizens.

H.R. 1658 restores these protections and returns law enforcement in drug crimes to the basic tenets of criminal jurisprudence.

LEGISLATION TO OPEN PARTICIPATION IN PRESIDENTIAL DEBATES

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation to open participation in presidential debates to all qualified candidates. I urge my colleagues to support this legislation.

My bill amends the Federal Election Campaign Act of 1971 to organizations staging a presidential debate to invite all candidates that meet the following criteria: the candidate must meet all Constitutional requirements for being President (e.g., at least 35 years of age, born in the United States), the candidate must have qualified for the ballot in enough states such that the candidate has a mathematical chance of receiving the minimum number of electoral votes necessary for election, and the candidate must qualify to be eligible for matching payments from the Presidential Election Campaign Fund.

This legislation will ensure that in a presidential election campaign the American people get an opportunity to see and hear from all of the qualified candidates for presidential. Staging organizations should not be given the subjective authority to bar a qualified candidate from participation in a presidential debate simply because a subjective judgement has been made the candidate does not have a reasonable chance of winning the election.

The American people should be given the opportunity to decide for themselves whether or not a candidate has a chance to be elected president. So much is at stake in a presidential election. A presidential election isn't just a contest between individual candidates. It is a contest between different ideas, policies and ideologies. At a time when our country is facing many complex problems, the American people should have the opportunity to be exposed to as many ideas, policies and proposals as possible in a presidential election campaign. My bill will ensure that this happens. It will give the American people an opportunity to hear new and different ideas and proposals on how to address the problems facing our nation. I have confidence that the American people are wise enough to make a sound decision.

Some of the basic principles America was founded on was freedom of speech and freedom of ideas. I was deeply disappointed that in the 1996 presidential campaign, the ideas of qualified candidates for president were not allowed to be heard by the American people during the presidential debates. It is my hope that Congress will pass my legislation and ensure that the un-American practice of silencing qualified for candidates for president is permanently put to a stop. Once again, I urge my colleagues to support this legislation.

TRIBUTE TO THEODORE ''TED'' JAMES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. McINNIS. Mr. Speaker, it is with a great deal of sadness that I take a moment to recognize the remarkable life and significant achievements of one of Larimer County's leading businessmen, Theodore ''Ted'' James. An entrepreneur and developer of Grand Lake Lodge and Hidden Valley Ski Area, Mr. James died at his home on June 8 in Estes Park, CO. While family, friends and colleagues remember the truly exceptional life of Mr. James, I too would like to pay tribute to this remarkable man.

Mr. James was a resident of Estes Park for 46 years; moving to Larimer County in 1953 to run sightseeing buses, two lodges, and a store in Rocky Mountain National Park. During his time in Estes Park, Ted was the president and manager of the Hidden Valley Ski Area, Trail Ridge Store, Grand Lake Lodge, and the Estes Park Inn.

A graduate from Greeley High School, Ted attended the University of Nebraska at Lincoln. During his college career, Mr. James received numerous football awards and was selected by Knute Rockne for the All-West football team. Upon graduating college, with a bachelor's degree in business, Ted played football for the Frankford, PA., Yellowjackets, now known as the Philadelphia Eagles of the National Football League. Many years later, Mr. James was inducted to the Nebraska Hall of Fame at Memorial Stadium.

In 1947, Mr. James was instrumental in merging the Burlington Bus Co. and American Bus Lines to create American Bus Lines in Chicago. With previous experience as the manager of the Greeley Transportation Co., Ted was immediately offered a job as the president and general manager of American Bus Lines Chicago branch.

In 1953, Mr. James was given the opportunity to develop Hidden Valley Ski Area by the Larimer County Park Service. He was a park concessionaire for Hidden Valley, Grand Lake Lodge, and the Trail Ridge Store, as well as operating the Estes Park Chalet.

Mr. James was a member of the Sigma Phi Epsilon fraternity, Scottish Rite and Estes Park Knights of the Belt Buckle. He was commissioner of the Boy Scouts of America in Denver, president of Ski Country USA, and member and director of Denver Country Club.

Although his professional accomplishments will long be remembered and admired, most who knew him well will remember Ted James as a hard working, dedicated, and compassionate man. I would like to extend my deepest sympathy to the family and friends of Mr. James for their profound loss.

ISSUES FACING OUR YOUNG PEOPLE TODAY

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SANDERS. Mr. Speaker, I would like to submit for the RECORD these statements by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today.

CHILD CARE IN VERMONT

(On behalf of Jody Foster, David Verge, Alicia Norris and Bobby Collone)

David Verge: Our issue is about child care in Vermont, and with the young people because a lot of the younger people are having kids now. According to child care funds in Vermont, a family could not afford care in 75 percent of the homes or any center. Vermont child care subsidy is at too low of a rate, only $83.70 for field time centers, and $67.45 for full-time care and home care. People of low income levels cannot afford even $50 to make up the difference that the state does not pay.

If they want to come and encourage people to work or go to school, then they need to make it worthwhile. If you are working and your whole paycheck is going to the cost of day care, then what is the point of working? Youth Build needs a day care, because 11 people out of, I'd say, about 33, 30 people have kids already, and we would like if we could try to open child care round Vermont so people can get their educations, and for the people that drop out of high school, because they don't have the money to pay for child care. We would like to see more people graduate than drop out, because we have the lowest dropout rate, from what I understand, and we are just trying to fix it, because a lot of us want to become something so our kids will not look down on us and can think something of us. You know, a lot of us are just not willing to work with it, because we have no money to pay for all the child care, plus other things that we need for essential needs for babies, us, and it is really hard.

Congressman Sanders: You are doing great, Dave.

Alicia Norris: I think a lot of it is, we are all students and we all either have children or are having children. Two of us have kids already, and our whole paycheck from Youth Build goes straight to day care. I mean, we have no money for expenses, for diapers or anything else like that. And it is hard to find good day care when it is $150 a week, and that is really expensive. That makes it really hard, because we want to go to school. And I think a lot of it is, students don't get the help they need so they can go back to school, because they are trying to better their lives and make their lives better for them and their children.

Jody Foster: Some of our changes would include maybe a special subsidy for parents that are going back to school or working, and base it better on income levels, on a higher income level for state help for child care.

Alicia Norris: And just employers helping out their employees, to give them day care, or to either provide day care, like the hospital does, or to help with the funds for it.

Congressman Sanders: Well, you guys have touched on an enormously important subject, and you have done a great job making that presentation.

DEMOCRACY AND CHILD LABOR

(On behalf of Matt Sheldon and Emily Webster)

Matt Sheldon: My presentation is on democracy in the United States.

The U.S. system of government is not as fair as it could be. There is an elite ruling class who have too much control in the way things are run. People in the lower classes have no power. They remain in the lower class because of a concentration of power and wealth within a small area of the population.

The type of political system that the U.S. has is a representative democracy. The people elect officials to ''represent'' them in decision-making. These elected officials are very often corrupt and become politicians only because they have a hunger for authority.

The election process doesn't allow everyone to be represented. It costs a great deal of money for a politician to campaign. Therefore, most people in government come from the upper classes. Many of them raise funds illegally. An honest person with good ideas for change may not be able to get their voice heard because of a lack of campaign funds.

The mass media also makes it difficult for many people, because it suppresses anything that seems too radical. When a news organization decides whose campaign to cover, they may essentially be helping to decide the electee. The public only has access to certain orthodox views, so naturally, they vote for those certain people.

Many people on the left figure that a liberal leader is better than a conservative, so they vote for the liberal, But the liberals are often just as bad. They're hypocritical in many ways. Their opinions and actions are determined by the status quo. Our current president, Bill Clinton, is becoming more conservative, in that he wants to increase military spending. People like him do not really want to make the country a good place, they just crave power and fame.

Liberals are often too afraid of offending people. They are slightly critical of capitalism and make some attempts to make it better by tax reform or supporting higher wages and improved working conditions in general, but the fact remains, capitalism is a system that rests on the exploitation of humans by other humans. And the same can be said about government: As long as there is an elitist state, there will be division of classes and limited opportunity. Nonhierarchical collectivism is the only way for true liberty.

Emily Webster: I will be presenting on child labor.

Child labor is alive and well today, despite efforts by the government and the people to control and regulate it. The efforts made show that the issue of exploitative child labor has been recognized in the United States and steps have been taken to eliminate it, for progress is not being made fast enough and it is not effective enough.

Exploitative child labor has been in existence for far too long. Even though it occurs less often in this country, it is mainly the United States-based companies that commit this abusive act. Nike is a multibillion dollar U.S.-based company. If this is so, why aren't the majority of Nike factories in this country? In order for Nike to bring in the profit that it does, the goods need to be manufactured at a very low cost. By setting up companies in other countries, mainly Third World countries, the company brings in more profits than it would if manufacturing was done in the United States.

Disney is another huge U.S.-based company. The products made by Disney are aimed for young children, and in most cases are made by young children overseas. These countries don't enforce labor laws or don't have a minimum wage, so workers don't have enough money to live even on a poverty level. In addition, the workers are abused in the factories. Oftentimes, the abuse is even sexual. If the workers try to help themselves and report their abuse, they can be fired and even blacklisted.

The U.S. is aware that Nike and Disney commit illegal acts outside this country, so why don't we act upon it? These children are not only abused, but they are denied schooling, something American children take for granted.

The most brutal of child labor is called bonded child labor. In a lot of places, the need for money is so great, the parents literally sell their children, or their children are kidnapped by companies who put them to work. They receive extremely low wages.

Though child labor is still going on, there has been a lot of progress in reducing these terrible condition. Global Fashions, a clothing company, took its first step in improving conditions when it was discovered that exploitative child labor was being used. Global Fashions then agreed to voluntary codes of conduct to improve working conditions.

Another example of success is the Bonded Child Labor Elimination Act, sponsored by Bernie Sanders. It amends the Tariff Act, which says the products made by prisoners or adult bonded labor cannot be imported into the United States, by including products made by forced or indentured child labor.

Exploitative child labor is not only an issue about wages. It goes deeper, to the point where it turns into a life-threatening situation for many children around the world. Many people are in such desperate need for whatever money they can get that any conditions are tolerable, as long as they are getting paid. That needs to change. People everywhere deserve to be rewarded for the work they do. Children should be able to go to school and have the opportunities that most American children have. Major corporations must stop treating people as machines, but as people who have needs. Until this country can put the welfare of people all over the world before money, exploitation of children in other countries will prevail.

A TRIBUTE TO FRATERNITAS

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor a Fraternitas, an organization that exemplifies the proud American tradition of helping those who most need help.

In February, 1986, a group of friends in the small Abruzzi village of Castelfrentano, Italy

gathered to discuss how they could best help the senior citizens of their community. Since they are not blessed to have many of the same services we Americans take for granted, they decided to construct a facility to care for low income handicapped and elderly residents. The project was developing slowly when, in 1990, Mr. Camillo Micolucci, himself a son of the village, visited the town on vacation.

Having been told of this worthwhile project, Mr. Micolucci returned to my great city of Philadelphia and launched a non-profit fund raising organization called ''Fraternitas,'' which is Italian for brotherhood. Being a resident of the City of Brotherly Love, Mr. Micolucci threw himself wholeheartedly into the project. He was aided in his efforts by his late mother, Maria, and other fine Americans like Nick and Carla Travaglini, Roseann Cugini, Sam and Leandro Andelucci and attorney James Bucci. They contacted Mr. Campitello of Washington, DC who donated the staggering sum of $250,000 to this effort. By continuing the nationwide fund raising effort, the committee was able to raise all the needed funds to go to construction on this much needed building.

Mr. Speaker, Fraternitas, a 50 bed facility will open its doors on July 3, 1999. I am proud to honor this wonderful group of volunteers, who are shining examples of the best of the American spirit of reaching back to help the less fortunate.

HONORING CLAYTON EZELL

HON. VAN HILLEARY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. HILLEARY. Mr. Speaker, I rise today to honor a great Tennessean, Clayton Ezell of Lawrenceburg.

For the last four years, Clayton Ezell proudly and ably served with distinction as the Mayor of Lawrenceburg. It happened to be a time when Mother Nature did not look very kindly upon Lawrenceburg, but Mayor Ezell heroically led the city and its residents through floods, tornadoes and every other challenge they encountered.

Prior to serving as Mayor, Clayton Ezell served for 25 years as Lawrenceburg's Superintendent of the Gas, Water and Sewer Department. But, Mr. Speaker, Clayton is much more than a public servant.

Clayton Ezell is a proud native of Lawrence County and the oldest of ten children. He's a Navy veteran of World War II and a husband of 55 years. He is a father of two and grandfather of four. Clayton Ezell is an American who gave of himself to get involved in his community and help lead its citizens into a better future.

Mr. Speaker, at a time when fewer people take active roles in their community, we should point to Clayton Ezell as somebody who got personally involved to make his community a better place to live and raise a family.

INCREASING THE SUPPLY OF ORGANS AVAILABLE FOR TRANSPLANTATION JULY 1, 1999

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BILIRAKIS. Mr. Speaker, today, I am pleased to introduce the ''Organ Procurement and Transplantation Network Amendments of 1999.'' This important bill reauthorizes the National Organ Transplantation Act and promotes efforts to increase the supply of organs available for transplantation. I have been joined by two of my Commerce Committee colleagues, Rep. GENE GREEN and Rep. FRANK PALLONE, in sponsoring this bipartisan measure.

Our legislation addresses a serious national health concern. Quite simply, we do not have enough organs to satisfy the demand for those in need of a transplant.

By even the most optimistic estimates, anticipated increases in organ supply are not projected to meet demand. This year, 20,000 people will receive organ transplants—but 40,000 will not. In the last decade alone, the waiting list for transplants grew by over 300 percent. This is literally a matter of life and death for tens of thousands of Americans each year.

To address this problem, our bill directs the Secretary of Health and Human Services to carry out a program to educate the public with respect to organ donation, in particular, the need for additional organs for transplantation. In addition, it authorizes grants to cover the costs of travel and subsistence expenses for individuals who make living donations of their organs.

The bill specifically recognizes the generous contribution made by each living individual who has donated an organ to save a life. It also acknowledges the advances in medical technology that have enabled transplantation of organs donated by living individuals to become a viable treatment option for an increasing number of patients.

The bill also reauthorizes the National Open Transplant Act, which was enacted to provide for the establishment and operation of an Organ Procurement and Transplantation Network. It clarifies that the Network is responsible for developing, establishing and maintaining medical criteria and standards for organ procurement and transplantation. This will ensure that organs are distributed based on sound scientific principles—without regard to the economic status or political influence of a recipient.

Given the enormity of the issues involved, Members of Congress must work together to address these concerns on a bipartisan basis. To that end, I urge all of my colleagues to support our effort to increase organ donation by cosponsoring the ''Organ Procurement and Transplantation Network Amendments of 1999.''

MS. CAROL KREIS RECEIVES TEACHER RECOGNITION AWARD

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of Carol Kreis. Ms. Kreis teaches at La Cueva High School in Albuquerque, New Mexico and was recently recognized nationally for helping her students to understand the U.S. economy better. The Security Industry Foundation honored her with a Teacher Recognition Award.

Ms. Kreis and her students took part in The Stock Market Game, the nation's largest Wall Street educational simulation. Her students gained valuable economic experience and improved their math, writing, and social studies skills because of her. Ms. Kreis received a subscription to the Wall Street Journal Interactive Edition and the Classroom Edition to support the continuation of teaching finance, entrepreneurship and business.

Mr. Speaker, we often hear that America's students are falling behind in competitive skills they need going into the next century. Carol Kreis' hard work will benefit students in our community now and into their future. Let us give her our recognition and thanks today.

HONORING HEROLD HEIN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to recognize and honor Mr. Herold Hein of Durango, Colorado. After 59 years of remarkable dedication and hard work, Mr. Hein has retired as one of Colorado's most talented craftsman. As the last working certified master watchmaker in Durango, Herold has spent nearly 20 years perfecting his craft while devoting his time and skill to creating a successful business.

Mr. Hein began repairing watches in 1942 when he joined the Navy. Stationed at Pearl Harbor, he worked with five other men, repairing various clocks around the base. In 1944, Herold was transferred to Midway Island in the Pacific Ocean where he worked on submarine stopwatches. He then left the Navy in 1945 with three years of extensive training and practice in watch and clock repair.

In 1980, Mr. Hein settled in Durango where he repaired jewelry and watches for several years. Ten years later, he opened his own repair shop, where he fixed everything from dime store clocks to Rolex's. Herold soon established himself as one of Durango's finest craftsman.

Mr. Hein's dedication to his craft and to his community have earned him the respect and admiration of those who have been fortunate enough to know him. I would like to congratulate him on his accomplishments and wish him the best of luck in all of his future endeavors.

TO PROTECT AND PRESERVE SOCIAL SECURITY

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SANDERS. Mr. Speaker, I rise today to call the attention of my colleagues to a resolution on Social Security. The following was agreed upon by both houses of the Vermont General Assembly on the 13th of May, 1999.

I call the attention of my colleagues to this resolution and submit the resolution to the CONGRESSIONAL RECORD for their benefit.

J.R.H. 113

JOINT RESOLUTION REQUESTING CONGRESS TO PROTECT AND PRESERVE SOCIAL SECURITY

Offered by: Representatives Corren of Burlington, Aswad of Burlington, Bouricius of Burlington, Darrow of Newfane, Darrow of Dummerston, Hingtgen of Burlington, Jordan of Middlesex, Keenan of St. Albans City, Kreitzer of Rutland City, Nuovo of Middlebury, Smith of Sudbury, Sullivan of Burlington, Sweetser of Essex, Valsangiacomo of Barre City, Vinton of Colchester, Wheeler of Burlington and Zuckerman of Burlington.

Whereas, the purpose of Social Security is to provide a strong, simple and efficient form of basic insurance against the adversities of old age, disability and dependency, and

Whereas, for 60 years Social Security has provided a stable platform of retirement, disability and survivor annuity benefits to protect working Americans and their dependents, and

Whereas, the costs to administer Social Security are less than one percent of the benefits delivered, and

Whereas, the American and world economies continue to encounter periods of high uncertainty and volatility that make it as important as ever to preserve a basic and continuing safety net of protections guaranteed by our society's largest guarantor of risk, the federal government, and

Whereas, Social Security affords protections to rich and poor alike and no citizen, no matter how well-off today, can foretell tomorrow's adversities, and

Whereas, average life expectancies are increasing and people are commonly living into their 80's and 90's, making it more important than ever that each of us be fully protected by defined retirement benefits, and

Whereas, medical scientists are continually developing new ways to maintain and enhance the lives of people with severe disabilities, thus making it more important that each of us to be protected against the risk of dependency, institutionalization and impoverishment, and

Whereas, the lives of wage earners and their spouses are seldom coterminous; one often outlives the other by decades, making it crucial to preserve a secure base of protection for children and other family members dependent on a wage earner who may die or become disabled, and

Whereas, Social Security, in current form, reinforces family cohesiveness and enhances the value of work in our society, and

Whereas, Congress currently has proposals to shift a portion of Social Security contributions from insurance to personal investment accounts for each wage earner, and

Whereas, Social Security, our largest and most fundamental insurance system, cannot fulfill its protective function if it is splintered into individualized stock accounts and must create and manage millions of small risk-bearing investments out of a stream of contributions intended as insurance, and

Whereas, private accounts cannot be substituted for Social Security without eroding basic protections for working families, since such protections, to be strong, must be insulated from economic uncertainty and be backed by the entity best capable of spreading risk, the federal government, and

Whereas, the diversion of contributions to private investment accounts would dramatically increase financial shortfalls to the Social Security trust fund and require major reductions in the defined benefits upon which millions of Americans depend; and

Whereas, to administer 150 million separate investment accounts would require a larger bureaucracy, and the resulting expense and the cost of converting each account to an annuity upon retirement would consume much of the profit or exacerbate the loss realized by each participant, and

Whereas, the question of whether part of the Social Security Trust Fund should be diversified into investments other than government bonds so that, while still invested collectively at low expense, returns may be increased, thus enhancing the capacity of the fund to meet its obligations to pay benefits while spreading the risk across the entire spectrum of Social Security participants, is entirely different from that of splintering its millions of accounts, and

Whereas, creating an array of winners and losers would be contrary to the basic principles of insurance and risk distribution, thus defeating the purpose of this part of our retirement system, and

Whereas, Congress amended the Internal Revenue Code to provide a full menu of provisions that enables working Americans and their employers to voluntarily contribute to tax-sheltered accounts that are open to the opportunities and exposed to the risks of investment markets, diverting Social Security contributions to private accounts duplicates existing programs, and

Whereas, such recently created systems now cover half of American families, now therefore be it

Resolved, by the Senate and House of Representatives:

That the General Assembly respectfully and strongly urges Congress not to enact laws that might tend to diminish or undermine a unified and stable Social Security system, and be it further

Resolved: That laws to encourage workers and their employers to save or invest for retirement should supplement and not substitute for the basic benefits of Social Security insurance that are vital to American working families, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the President of the United States Senate, the Speaker of the House of Representatives of the United States and each member of the Vermont Congressional Delegation.

A TRIBUTE TO THE GRANHAN PLAYGROUND WOLFPACK

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor a great Philadelphia sports program, the Granhan Playground Wolfpack. The Wolfpack is the latest in a long time of Philadelphia champions. My city is the proud home of many former, and future champs: people like Joe Frazier, the 76ers, the Flyers, the Phillies and the Eagles. And now, we can add the Wolfpack to that long list.

This year, Granhan Playground is not only the home of the 12 year old and under hockey champs, it also produced the 15 years old and under championship team. Mr. Speaker, this record breaking season could not have happened without the determination of kids who gave their all to bring glory to their neighborhood. The 12 and under team won with a talented roster featuring Mike and Kevin Cassidy; Kevin Lowthert; George Bochanski; Dan Devine; Mike Devine; Joe Walsh; Chris Porter; Mike McLaughlin; Chris Porter; Jason Mardinly and Rich Canfield. They also benefited from the skills of goalie Sean Rodgers, this year's Vezina award winner.

The 15 and older squad, anchored by fellow Vezina trophy winner, Julie Bochanski and playoff mvp, R.J. Carrido; featured Joe Walsh; Joe Grajek; Tom August; Jay Bailey; Brain DiTomo; Jim Dougherty; Josh Mills and Tom Kay, proved to be equally fierce competitors. They did their neighborhood proud in their march to victory.

But none of this would have been possible without the support and involvement of Wolfpack parents, family, and community volunteers. I am proud of them and all they do to help these kids grow into healthy and productive adults. And I have a special pride in one young man who works with the "Pack." I want to salute Robert F. Brady, my son, who is Recreation Leader at Granhan Playground. I love him and am proud of all the work he does.

Mr. Speaker, I urge all my colleagues to join me in saluting the Granhan Wolfpack on this successful season and wish them many more.

CONGRATULATING ROSALINA FREEMAN FOR IMPROVING COMMUNITY HEALTH IN EAST TENNESSEE

HON. VAN HILLEARY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. HILLEARY. Mr. Speaker, I rise today to congratulate Ms. Rosalina Freeman, who was recently named one of ten outstanding individuals from around the country to receive a $100,000 award from the Robert Wood Johnson Foundation's Community Health Leadership Program (CHLP).

Ms. Freeman is the founder and executive director of Reachout, Inc., which provides rural health education and services for East Tennessee's Hispanic factory and farm workers. Reachout works with other rural health care providers to offer mammograms, cancer prevention education, HIV/AIDS prevention, lead and pesticide education and post-natal education. In additional to these rural health services, Ms. Freeman's Reachout also offers GED programs and translation services.

Thanks to Ms. Freeman's leadership, dedication and caring spirit, the translation and referral services have reached more than 3,000

people in eight rural East Tennessee counties. More than 2,000 high school students have received Reachout's AIDS/HIV education program.

Ms. Freeman herself overcame great odds before helping improve rural health care for others in East Tennessee. Born in Puerto Rico, she has lived in Cocke County for the past 29 years. She earned an undergraduate degree in sociology in 1990, then went back to earn a Masters in health education in 1996. She even had to overcome her own illnesses stemming from a rare muscle condition.

Mr. Speaker, at a time when rural health care has been under direct assault from Washington, it is refreshing to see a private citizen take it upon herself to try to solve the problems she sees in her community. Ms. Freeman probably said it best when she said, "We believe in letting communities be the biggest part of the solution to addressing and solving their problems * * * I am committed to helping provide the tools to my community so it can help itself."

I agree completely, and I want to once again thank and congratulate Rosie Freeman for everything she has done to improve rural health care in East Tennessee. There is still much to do before rural health care receives the kind of attention it deserves, but with caring people like Ms. Freeman on the job, the situation looks a little brighter.

PRESERVING HEALTH CARE CHOICES FOR SENIORS

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BILIRAKIS. Mr. Speaker, today, I am proud to introduce legislation that will help millions of Medicare beneficiaries whose health coverage is in jeopardy. My Florida colleague, PETER DEUTSCH, has joined me in sponsoring this bipartisan measure. Our bill—the "Medicare+Choice Risk Adjustment Amendments of 1999"—will help to preserve and expand health care choices for seniors who participate in Medicare managed care plans.

The Medicare+Choice program was created as part of the 1997 Balanced Budget Act to increase health care options for Medicare beneficiaries. While the majority of beneficiaries remain in traditional fee-for-service Medicare, enrollment in managed care plans has grown rapidly in recent years. Many seniors now depend on the additional benefits (such as prescription drug coverage) available through plans under the Medicare+Choice program. However, a serious crisis threatens this vital program.

Last year, nearly 100 Medicare managed care plans did not renew their Medicare contracts or reduced their geographic areas of service. This year, many more plans have announced their intent to leave the Medicare+Choice program, raising serious concerns about its continued availability as an option for Medicare beneficiaries. Many plans cite inadequate reimbursement as a major factor in their decision.

Unless Congress takes action to correct this problem, the consequences will be devastating for Medicare beneficiaries, especially low-income seniors. Many will lose the option of participating in a Medicare managed care plan altogether. Others will face increased out-of-pocket costs or a reduction in benefits.

This situation is largely due to a decision by the Health Care Financing Administration (HCFA) to disregard the intent of Congress in establishing the Medicare+Choice program. The 1997 Balanced Budget Act required HCFA to establish a process for "adjusting" Medicare+Choice payments based on the likelihood or the "risk" that enrollees will use health care services.

Congress anticipated that this new "risk adjustment" process would provide Medicare+Choice plans with higher payments for patients who are chronically ill and lower payments for those who are generally healthy. We did not intend to decrease overall Medicare+Choice spending through this process. Instead, we were simply trying to make sure that Medicare+Choice funds would be distributed based on the health status of Medicare+Choice enrollees.

However, HCFA has completely disregarded the intent of Congress on this critical issue. The agency is using its authority to establish a "risk adjustment" process as an excuse to try to impose deep spending cuts in the Medicare+Choice program. HCFA's ill-advised decision threatens to seriously underfund the Medicare+Choice program. Estimates indicate as much as $11 billion may be drained from Medicare+Choice over the next five years, if HCFA is allowed to go forward with its plan.

At the time the 1997 Balanced Budget Act was considered, the Congressional Budget Office (CBO) estimated no savings from the risk adjuster. CBO's analysis assumed that the risk adjuster would simply shift funds within Medicare+Choice. By contrast, HCFA's approach would drain billions of dollars from the program.

The "Medicare+Choice Risk Adjustment Amendments of 1999" would address this problem in two ways. First, it would require HCFA to implement its risk adjustment process on a budget neutral basis—as Congress intended. Second, the bill would repeal a provision of current law that automatically requires the annual increase in Medicare fee-for-service payments.

Millions of seniors rely on Medicare+Choice for greater flexibility in meeting their health care needs. My legislation will help to stabilize this vital program and guarantee continued health care choices for Medicare beneficiaries. I urge my colleagues to join me in protecting seniors' health care choices by cosponsoring the "Medicare+Choice Risk Adjustment Amendments of 1999."

A TRIBUTE TO JOE VIVIAN

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the 35 years of service Mr. Joe Vivian has given to our community of Albuquerque as a coach, mentor and leader.

Mr. Vivian coached wrestling for 35 years at six city high schools. He began his wrestling career in the eighth grade when a coach reached out to him and helped him turn his life around. Through his coaching Mr. Vivian mentored many young athletes. Mr. Vivian provided important lessons in staying physically fit, being part of a team, setting and achieving goals and community involvement. People who worked with Joe Vivian describe him as dedicated and committed to the wrestlers he worked with. He coached teams to three state titles and holds over 300 career dual victories.

In addition to coaching, Joe Vivian volunteers with Meals on Wheels, Special Olympics and the Fellowship of Christian Athletes.

Mr. Joe Vivian retired from coaching this year. Please join me in thanking him for the positive influence he is in our community and wish him the best in retirement.

CLINTON HYPOCRISY ON LAND MINES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, the Contra Costa Times, my hometown newspaper in the East Bay of San Francisco, got it right today when they took the President to task on the issue of land mines. "Hypocrisy on Land Mines," an editorial, points out that while President Clinton is now giving his compassion and his warnings of safety to returning Kosovar refugees because their homeland is wired full of land mines, it was the same President Clinton who refused to sign the international treaty to ban land mines two years ago. Over 100 other nations signed the treaty and the United States should have taken the lead to see this treaty enacted and enforced. Instead, all the United States can do now is hope that not too many Kosovar refugees have their limbs blown off as they venture home after the war.

Tens of thousands of civilians are killed by land mines around the world every year. The world needs America's leadership to bring an end to this cruel form of warfare where the main victims, in fact, are civilians. I commend the editorial below to my colleagues and to my President.

[From Contra Costa Times, July 1, 1999]

HYPOCRISY ON LAND MINES

President Clinton gave good advise when he warned Kosovar Albanians to delay their return to Kosovo because of the many land mines still scattered about the countryside and in towns. But there must have been much gnashing of teeth at the office of the International Campaign to Ban Landmines, whose members watched two years ago as Clinton and the United States refused to sign a treaty that would have banned land mines around the world. Why they must have wondered is it all right for Angolan and Cambodian children to be exposed to these deadly weapons, but not Kosovars?

Clinton was in full "caring" mode as he spoke with refugees in Macedonia last week. "I know a lot of people are anxious to go

home,'' he said. ''But you know there are still a lot of land mines in the ground, on the routes into Kosovo and in many of the communities. You have suffered enough. I don't want any child hurt. I don't want anyone else to lose a leg or an arm or a child because of a land mine.''

The president neglected to mention that while the retreating Serb army left many of those land mines, much of the danger to returning civilians comes from unexploded ''bomblets'' from cluster bombs dropped by NATO planes.

Unexploded ordnance dropped by NATO aircraft floods the province. Two NATO soldiers died trying to deactivate some of it, and some children died when they tried to play with it. Cluster bombs contain 202 of the bomblets that scatter over a wide area.

The bomblets' purpose is to kill enemy troops. But of course, as with land mines, it is civilians who pay the price.

None of this is new. There are more than 100 million land mines in the ground around the world, many of them in unmarked fields where even the soldiers who put them there cannot find them. Most were sown during regional conflicts, such as the decades-long Angolan Civil War. Afghanistan and Angola have roughly 9 million land mines each. The mines kill or maim some 26,000 civilians yearly.

Despite full knowledge of these obscene numbers, Clinton refused to sign the land mines treaty two years ago, even though 100 other nations did sign it. Now here he is in Macedonia warning civilians and their children about land mines, the spread of which he did nothing to stop, and cluster bomblets, which NATO deposited on Kosovar land.

It is heartening to see the president of the United States acknowledging the danger of land mines. Perhaps now he will turn his attention to halting their further proliferation.

TRIBUTE TO J.B. WHITTEMORE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. McINNIS. Mr. Speaker, it is with a great deal of sadness that I wish to recognize the remarkable life and spirit of Mr. J.B. Whittemore of Pueblo, Colorado. With this, I would like to take a moment to pay tribute to Mr. Whittemore who embodied and exemplified hard work, dedication, and compassion. For more than half of a century, he dedicated his energy to ensuring the happiness of thousands of Pueblo children, never letting a lack of money keep children from enjoying the ride.

J.B. Whittemore was born in Pueblo, Colorado in 1914, the same year in which the City Park carousel was manufactured. With nickels earned by milking cows, Mr. Whittemore escaped the world by riding the carousel.

On March 1, 1943, he joined the City Parks Department staff—a job which became a career spanning 33 years. While working for the City Parks Department, Mr. Whittemore also worked nights, Sundays and holidays as the maintenance man and operator of the City Park carousel. Just as Mr. Whittemore cared about the happiness of children, he also cared about his family. He loved and appreciated his family and shared his light with all.

Mr. Whittemore was a man of kindness and generosity. Through his involvement in the community, he touched the lives of many. His smile, his devotion, and his zest for life will long be remembered and admired. Those who have come to know J.B. Whittemore will miss him greatly. I am confident however, that in spite of this profound loss, the family and friends of Mr. Whittemore can take comfort in the knowledge that he made a significant impact on the quality of life of the citizens of Pueblo.

SIKH LEADER'S LETTER EXPOSES CONFLICT IN KASHMIR

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. DOOLITTLE. Mr. Speaker, India has recently undertaken a military effort to eliminate the freedom movement in Kashmir. Supporters of freedom for all the nations of South Asia, especially neighboring Punjab, Khalistan, are concerned that if this conflict spreads, it could be a threat to other nations inside India's borders.

Recently, Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, wrote a letter to the *Washington Times* which I am sure will be of interest to my colleagues. He pointed out that the air attacks are really an attack on the Kashmiri freedom fighters. ''India has not yet learned that people struggling for freedom cannot be suppressed by force forever,'' he wrote.

Dr. Aulakh wrote that ''the reason for these conflicts is the denial of self-determination by the country that proclaims itself 'the world's largest democracy.'" This is the cause not only of the conflict in Kargil, but many of the political problems in South Asia. India spends its money to build nuclear weapons and forcibly maintain its unstable, polyglot country while half its people live below the international poverty line. To make it worse, India convened a meeting last month with China, Cuba, Serbia, and other enemies of our country ''to stop the U.S.'' Why are the overstressed taxpayers of America supporting this kind of government?

Only when free and fair plebiscites on independence are held in those regions that are seeking their freedom can India legitimately claim that it is a democratic power. India promised the people of Kashmir a plebiscite in 1948. It promised the Sikhs of Punjab, Khalistan, that they would have autonomy. India claims it is democratic and that there is no support for independence in these places or in Nagaland or any of the other lands it occupies. Then why not simply have a vote?

The conflict at Kargil shows that India is unstable. It is falling apart in front of our eyes. We should get on the right side of history and support the freedom movements by cutting off aid to India and by calling for free and fair plebiscites for those seeking freedom.

I insert the Council of Khalistan's letter into the RECORD.

THE WASHINGTON TIMES,
June 8, 1999.

India's recent air attacks on Kashmir are really a war on the Kashmiri freedom movement. Everything India has tried to put down the freedom movement has failed, so now it has resorted to an air war against the Kashmiris. Sikhs are concerned that neighboring Punjab or Khalistan could be next.

This war is designed to suppress the freedom fighters in Kashmir. India has not yet learned that people struggling for freedom cannot be suppressed by force forever. This is why more than 500,000 Indian soldiers are stationed in Kashmir. Another 500,000 are stationed in Punjab to suppress the movement to free Khalistan. India has already lost two Russian-made MiG fighters and two helicopter gunships.

To suppress the freedom struggle, the Indian government has killed more than 250,000 Sikhs since 1984, more than 200,000 Christians in Nagaland since 1948, more than 60,000 Muslims in Kashmir since 1988 and tens of thousands of others.

The reason for these conflicts is the denial of self-determination by the country that proclaims itself ''the world's largest democracy.'' America periodically conducts democratic votes on the status of Puerto Rico, with independence as an option. Canada does the same for Quebec, and Great Britain recently allowed Scotland and Wales to elect their own parliaments, moving them one step closer to a vote on independence. If self-determination is good enough for them, why shouldn't the Sikhs of Khalistan, the Muslims of Kashmir, the Christians of Nagaland and others seeking their freedom from India enjoy the same rights?

The United States, Canada and Great Britain are major world powers. Not only is a free and fair plebiscite the democratic way to settle these issues, it is how great powers conduct themselves. India claims that there is no support for Khalistan. Then why not hold a free and fair vote? If India wants to be a world power and if it claims that it is democratic, then it should allow the people of Khalistan, Kashmir, Nagaland and the others seeking their freedom to hold a plebiscite under international supervision on the question of independence so that this issue can be settled in a free and fair vote.

The war against the people of Kashmir shows the inherent weakness of the Indian government. Now is the best time for the people and nations of South Asia to claim their freedom. America can support this by cutting off aid to India until it lets people live in freedom and by declaring its open support for the freedom movements of South Asia.

GURMIT SIGNH AULAKH,
President,
Council of Khalistan.

IN MEMORY AND TRIBUTE TO JAMES J. ''JIMMY'' CREAMER

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to pay solemn tribute to a distinguished colleague and dear friend, James J. ''Jimmy'' Creamer. I must confess that I can hardly believe that this man, so full of life and love, is no longer with us. Just last week, I ran into Jimmy in the halls of the Rhode Island State House. We had a typical conversation, laughing at Jimmy's stories and humorous insights into Rhode Island politics, and then he passed

away suddenly the next day. I mourn the passing of this wonderful man, but I also stand today in appreciation of the conversation I had with him on Monday, and countless others like it, and in celebration of a life lived to the fullest and to the benefit of all who knew him.

Jimmy Creamer was a lifelong resident of Providence, Rhode Island. He started his career in public service by enlisting in the United States Marine Corps out of high school. After serving for three years in the military, he became a member of the Providence Fire Department and retired as Lieutenant after 20 years and with a Commendation for Devotion to Duty and Meritorious Services. He also found the time, while working and raising his young family, to pursue higher education and return to Providence College and earn both his Bachelor of Arts and Master of Arts degrees.

After retiring from the Fire Department Jimmy began his career in Rhode Island politics, holding several different positions before being appointed Chief of Staff for the Speaker of the Rhode Island House of Representatives. He held that position for 19 years, under the leadership of three different speakers, and became an invaluable resource to the members of the State legislature and the people of Rhode Island. He brought both institutional knowledge and political insight to his work, as well as a tremendous sense of dedication, loyalty, and integrity.

In addition to his professional work at the State House, he lent his expertise to the Democratic party in Rhode Island as chairman of the 8th Ward Democratic Committee in Providence and as a well-respected member of the Democratic State Committee. He also found the time to continue his involvement with the Providence Fire Department, to serve as a substitute teacher in the Providence school system, to help organize youth hockey in the area, and to coach a Little League baseball team. As his colleagues in the Rhode Island House of Representatives stated in a recent House Resolution, ''Anyone could plainly see that his heart belonged to children. The look of joy on his face was evident every time he taught a child to swing a bat or stand up on skates. . . . Jimmy loved children.'' What an incredible testament to the legacy this man has left behind him.

I first met Jimmy when I was elected to the Rhode Island House of Representatives in 1984, and he quickly became a close friend and trusted adviser. I could always depend on Jimmy for sound and honest advice, and perhaps even more importantly, for a smile and a few words of wit or encouragement. I am proud to have called this man my friend, and feel that the entire Rhode Island State Legislature is a better institution for his 19 years there.

Jimmy's life was dedicated to his family and then to the people and State of Rhode Island. He is survived by his wife, Patricia, his two sons, James and Patrick, two grandchildren, and a brother and three sisters. He was a devoted husband, father, grandfather, and brother, and I offer my deepest sympathies to his family as they mourn the loss of this special and generous man. He will be sorely missed by all who had the pleasure to know him.

A TRIBUTE TO THE RECIPIENTS OF THE 1999 ''TRAIL BLAZING FOR CHILDREN'' AWARDS WEEKEND AND THE RASHEED A. WALLACE FOUNDATION

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise today to honor both the Rasheed A. Wallace Foundation, host of the 1999 ''Trail Blazing for Children'' Award, and the recipients of the named award. Both the recipients and the Rasheed A. Wallace Foundation have been instrumental in improving the lives of children throughout Philadelphia. In addition, I would also like to extend congratulations to the Police Athletic League of Philadelphia and Mr. Sonny Hill of the Sonny Hill Basketball League on their outstanding accomplishments to youth in the Philadelphia community.

Central to the focus of the Rasheed A. Wallace Foundation has been ''Enhancing the Quality of Life for All People.'' The commitment of the foundation is seen each year during its Annual Coat Drive for the Homeless and a series of contributions targeting youth recreation programs in the area. Such charitable efforts have been seen throughout his professional basketball career.

The Rasheed A. Wallace Foundation is truly blazing trails for young people and the less fortunate in Philadelphia. I salute Rasheed on his charitable contributions to our great city and give my best wishes for continued success to both the foundation and the award recipients.

NEW REVELATIONS ON GENERAL PINOCHET AND THE UNITED STATES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, as my colleagues will recall, I have worked for several years now, along with Mr. CONYERS of Michigan and others here, to have the United States declassify documents concerning Gen. Augusto Pinochet's 1973 military coup in Chile and its aftermath and what the United States knew about Pinochet's connection to human rights violations and acts of terrorism both in Chile and abroad.

A Spanish court is trying to extradite General Pinochet to stand trial in Spain for international human rights violations. The documents held by the United States are expected to shed important light on Pinochet's activities that will help clarify his personal role in this bloody period of history.

Yesterday, the first significant release of documents took place. I commend to my colleagues the articles below, from the New York Times and the Washington Post concerning the 5,800 documents released at the National Archives. As you will note from the articles below, it is suspected that there are still many more relevant documents that have not been released, particularly from the Central Intelligence Agency, which only contributed 490 documents to yesterday's release. I applaud the Administration for releasing yesterday's documents but I strongly urge them to continue to release documents on a timely basis from all branches of the Administration, including the CIA.

The search for the truth is important not only for the historic case against General Pinochet, but for Americans too who wish to know what role their government may have played in a violent period of history and how we may avoid playing such a role in the future.

The New York Times notes also that not only will the documents help Spain, but that Spain has already helped provide information to the United States that might help the Justice Department complete its still open case against those responsible for the assassination of Chilean exile Orlando Letelier and his American assistant Ronnie Karpen Moffitt in Washington, D.C. in 1976. It is widely believed, but has not yet been proven, that General Pinochet personally ordered Letelier's execution.

The documents released yesterday further demonstrate that the United States was well aware of atrocities taking place during and after the coup and that despite this knowledge the Nixon Administration sought to maintain close ties to General Pinochet.

''U.S. Releases Files on Abuses in Pinochet Era,'' The New York Times, July 1, 1999, Page A11.

''Documents Show U.S. Knew Pinochet Planned Crackdown in '73,'' The Washington Post, July 1, 1999, Page A23.

[From the New York Times, July 1, 1999]

U.S. RELEASES FILES ON ABUSES IN PINOCHET ERA

(By Philip Shenon)

WASHINGTON, June 30—The C.I.A. and other Government agencies had detailed reports of widespread human rights abuses by the Chilean military, including the killings and torture of leftist dissidents, almost immediately after a 1973 right-wing coup that the United States supported, according to once-secret Government documents released today.

The 5,800 documents which the Clinton Administration decided last year to declassify and make public could provide evidence to support the prosecution of Gen. Augusto Pinochet, who seized power in the coup and was arrested in Britain last October. Spain is seeking his extradition, charging that his junta had kidnapped, tortured and killed Spanish citizens.

The documents were released as Clinton Administration officials confirmed that the Justice Department has been conferring with Spanish authorities, in part to exchange information about General Pinochet, including his possible involvement in the 1976 car-bomb assassination in Washington of the Chilean Ambassador to the United States, Orlando Letelier, and a colleague, Ronni Moffitt, of the Institute for Policy Studies. Because the Justice Department considers the Letelier investigation to be ongoing, the Government withheld documents related to the murders, officials said today.

Historians and human rights advocates, who were busily trying to sort through the

nearly 20,000 pages released today by the National Archives, agreed that the documents did not offer startling revelations about American ties to the Chilean junta under General Pinochet.

Instead, they said, the documents provide rich new detail to support the long-held view that the United States knew during and after the coup about the Chilean military's murderous crackdown on leftists.

On Sept. 21, 1973, 10 days after the coup, one C.I.A. report said: ''The prevailing mood among the Chilean military is to use the current opportunity to stamp out all vestiges of Communism in Chile for good. Severe repression is planned. The military is rounding up large numbers of people, including students and leftists of all descriptions, and interning them.''

The report noted that ''300 students were killed in the technical university when they refused to surrender'' in Santiago, the capital, and that the military was considering a plan to kill ''50 leftists'' for every leftist sniper still operating.

In a summary of the situation in Chile a month after the coup, a C.I.A. report dated Oct. 12 found that ''security considerations still have first priority with the junta.''

''The line between people killed during attacks on security forces and those captured and executed immediately has become increasingly blurred,'' the report continued. It said the junta ''has launched a campaign to improve its international image; the regime shows no sign of relenting in its determination to deal swiftly and decisively with dissidents, however, and the bloodshed goes on.''

However, a C.I.A. report dated March 21, 1974, insisted that ''the junta has not been bloodthirsty.''

''The Government has been the target of numerous charges related to alleged violations of human rights,'' it said. ''Many of the accusations are merely politically inspired falsehoods or gross exaggerations.''

An estimated 5,000 people were killed in the coup, including Chile's democratically elected President, Salvador Allende, whose body was recovered from the bombed remains of the Presidential Palace, which had been attacked by military jets.

Thousands more died or were tortured at the hands of the military during General Pinochet's 17-year rule. Last week, the Chilean College of Medicine reported that at least 200,000 people had been tortured by Government forces at the time.

Under the Nixon Administration, the Central Intelligence Agency mounted a full-tilt covert operation to keep Dr. Allende from taking office and, when that failed, undertook subtler efforts to undermine him. The C.I.A.'s director of operations at the time, Thomas Karamessines, later told Senate investigators that those efforts ''never really ended.''

The C.I.A. has never provided a full explanation of what it knew about human rights abuses carried out by the Chilean military during and after the coup. But internal Government documents released since have shown that the agency's knowledge of the violence was extensive.

The Clinton Administration announced last December that, as a result of the arrest of General Pinochet, it would declassify some of the documents.

The Administration described the move as an attempt at Government accountability, and it was the first sign that the United States intended to cooperate in the criminal case being built against General Pinochet.

The vast majority of the documents released today—5,000 of the 5,800—came from the files of the State Department. The C.I.A. released 490 documents, the Federal Bureau of Investigation, 100, and the Pentagon, 60.

Human rights groups said they were surprised by the paucity of documents declassified by the C.I.A.

''The C.I.A. has the most to offer but also the most to hide,'' said Peter Kornbluh of the National Security Archive, a public-interest clearing-house for declassified documents. The documents that were released today, he said, ''show that the C.I.A. was well-apprised of the vicious nature of the Chilean regime.''

The public affairs office at the C.I.A. did not respond to phone calls early this evening.

The documents released today date from 1973 to 1978, ''the period of the most flagrant human rights abuses in Chile,'' said James Foley, a State Department spokesman.

The White House said in a statement that ''a limited number of documents have not been released at this time, primarily because they relate to an ongoing Justice Department investigation'' of the murder of Mr. Letelier and Ms. Moffitt.

Administration officials, speaking on condition that they not be identified, said that the inquiry was active, in part as a result of information available to the United States from Spanish prosecutors seeking to try General Pinochet.

In April, they said, a senior criminal prosecutor from the Justice Department, Mark Richard, traveled to Spain to meet with Spanish authorities to discuss whether Washington and Madrid could swap information in their investigations. Prosecutors here have long been interested in whether there is evidence that General Pinochet or his deputies ordered the murders in Washington because Mr. Letelier was an opponent of the Pinochet regime.

The killings here are believed to have been part of an orchestrated campaign of violence known within the Pinochet Government as Operation Condor, in which opponents of the junta were targeted for assassination in and out of Chile.

A State Department document dated Aug. 18, 1976, only a month before Mr. Letelier's murder, shows that Secretary of State Henry A. Kissinger and other senior department officials were warned of ''rumors'' that Operation Condor might ''include plans for the assassination of subversives, politicians and prominent figures both within the national borders of certain Southern Cone countries and abroad.''

Reed Brody of Human Rights Watch, who unearthed the document, said it ''shows the United States was very aware of the terrorist activities that General Pinochet and his colleagues were engaging in there, as well as abroad.''

[From the Washington Post, July 1, 1999]

DOCUMENTS SHOW U.S. KNEW PINOCHET PLANNED CRACKDOWN IN '73

(By Karen DeYoung and Vernon Loeb)

Days after the bloody 1973 coup that overthrew Chilean President Salvador Allende, the CIA mission in Chile reported to Washington that the new government of Gen. Augusto Pinochet planned ''severe repression'' against its opponents. A month later, the agency noted that ''the line between people killed during attacks on security forces and those captured and executed immediately has become increasingly blurred.''

The CIA cables are among nearly 6,000 newly declassified government documents released yesterday related to human rights and political violence in Chile during the first five years of Pinochet's rule.

In addition to indications that the CIA and the U.S. Embassy in Santiago had detailed information on the extent of repression and rights abuses there soon after the coup, the documents provide new insights into disagreements within President Richard M. Nixon's administration over policy toward Pinochet's Chile.

The Clinton administration agreed to review and release selected documents from the State and Defense departments, the CIA and the FBI after Pinochet was arrested last October in London in response to a Spanish extradition request on charges of alleged human rights violations committed during his 17-year rule. The extradition trial is scheduled for September.

The redacted documents made public yesterday cover the years of the worst excesses of the Chilean military government, from 1973 to 1978, when at least 3,000 people were killed or ''disappeared'' at the hands of government forces. Additional documents—including some from 1968 to 1973 covering the election of Allende, a Marxist, as president and the events leading up to the coup and his death—are scheduled for later release.

The documents are primarily status overviews and intelligence reports on the situation inside Chile, and add little of substance to scholarly and congressional reviews of the period, as well as investigations conducted by the democratically elected Chilean governments that followed Pinochet. Nor are the documents likely to be useful in the Pinochet extradition case.

For example, information concerning the 1976 car bomb assassination in Washington of former Chilean diplomat and Pinochet opponent Orlando Letelier and his assistant Ronni Karpen Moffitt were left out, the State Department said, because aspects of the case are still being investigated by the Justice Department.

Human rights organizations commended the Clinton administration for the release but expressed disappointment at its selective nature. Peter Kornbluh of the National Security Archives, who is compiling information for a book about Pinochet, said of the released documents: ''The CIA has much to offer here, and much to hide. They clearly are continuing to hide this history.''

Embassy reporting from Santiago reflected the Nixon administration's support of the 1973 coup, although the administration consistently denied helping to plan or carry it out. In late September that year, the embassy reported, the new Pinochet government appealed for American advisers to help to set up detention camps for the thousands of Chileans it had arrested.

Worried about the ''obvious political problems'' such assistance might cause, the embassy suggested in a cable to the State Department that it instead ''may wish to consider feasibility of material assistance in form of tents, blankets, etc. which need not be publicly and specifically earmarked for prisoners.''

Ambassador David H. Popper wrote the State Department in early 1974 that in conversations with the new government ''I have invariably taken the line that the U.S. government is in sympathy with, and supports, the Government of Chile, but that our ability to be helpful . . . is hampered by [U.S] Congressional and media concerns . . . with respect to alleged violations of human rights here.''

In a December 1974 secret cable, the agency reported on information it had received concerning a briefing in which Chile's interior

minister and the head of the Directorate of National Intelligence noted that the junta had detained 30,568 people, of whom more than 8,000 still were being held. The two also agreed that an unspecified number of people were being secretly held because ''they are part of sensitive, ongoing security investigations.''

The Pinochet government never publicly acknowledged secret detentions. According to Chilean government reports in 1991 and 1996, a total of 2,095 extrajudicial executions and death under torture took place during the military regime, and 1,102 people disappeared at the hands of government forces and are presumed dead.

By July 1977, U.S. policy under the new Carter administration had turned sharply against Pinochet. Yet the embassy expressed irritation over being asked to write ''still another human rights report'' on Chile and noted the ''strong and varied views'' inside the mission.

In its own report, the embassy military group complained: ''We [the United States] do not appear to be visionary enough to see the total picture; we focus only upon the relatively few violation cases which occur and continue to hound the government about past events while shrugging off demonstrated improvements.''

WARTIME VIOLATION OF ITALIAN AMERICAN CIVIL LIBERTIES ACT

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. LAZIO. Mr. Speaker, late in the night of December 7, 1941, only hours after the Japanese attack on Pearl Harbor, Filippo Molinari heard noises outside his San Jose home. When Molinari went to investigate, he found three policemen at his front door. They told him that by order of President Roosevelt, he must come with them.

Molinari had served in the Italian army during World War I, fighting alongside American troops. He was well-known within his community as a door-to-door salesman for the Italian language newspaper L'Italia. He was the founding member of the San Francisco Sons of Italy. And now, he was under arrest. Shortly thereafter, Molinari would be shipped to a government detention center in Fort Missoula, Montana.

Filippo Molinari's story is not unique. He was one of hundreds of Italian Americans arrested in the first days of the war and sent to internment centers or excluded from California. In 1942 over ten thousand Italian Americans across the nation were forcibly evacuated from their homes and relocated away from coastal areas and military bases. Additionally, some 600,000 Italian nationals, most of whom had lived in the United States for decades, were deemed ''enemy aliens'' and subject to strict travel restrictions, curfews, and seizures of personal property.

These so-called ''enemy aliens'' were required to carry photo-bearing ID booklets at all times, forbidden to travel beyond a five mile radius of their homes, and required to turn in any shortwave radios, cameras, flashlights and firearms in their possession. In California 52,000 Italian residents were subjected to a curfew. In Monterey, Boston, and elsewhere Italian American fishermen were grounded. Many fishermen who were naturalized citizens had their boats impounded by the navy—all this while half a million Italian Americans were serving, fighting, and dying in the U.S. armed forces during World War II.

It has long been a historical misconception that President Roosevelt's infamous Executive Order 9066 applied only to Japanese and Japanese-Americans living in the western states. Clearly this was not the case. There is another chapter to this sad story, ''Una Storia Segreta''—a secret story. The bill I am introducing today is an attempt to start setting the record straight.

The Wartime Violation of Italian American Civil Liberties Act calls on the Department of Justice to prepare and publish a comprehensive report detailing the government's unjust policies and practices during this time period. A part of this report would include an examination of ways in which civil liberties can be safeguarded during future national emergencies.

This legislation would also encourage relevant federal agencies to support projects such as exhibitions and documentaries that would heighten public awareness of this unfortunate episode. Further, it recommends the formation of an advisory committee to assist in the compilation of relevant information regarding this matter and related public policy matters.

Finally, the Wartime Violation of Italian American Civil Liberties Act calls upon the President to acknowledge formally our government's systematic denial of civil liberties to what was then the largest foreign-born ethnic group in the United States.

I am pleased to say that I am joined today in introducing this important piece of legislation by 62 of my colleagues from both sides of the aisle, including fellow-New York Representative ELIOT ENGEL, who has led the way on this issue. The diversity of this list of original cosponsors, is indicative of both the national scope of the injustices that took place and the widespread interest—interest across ethnic and geographic lines—that justice is finally done. We owe it to the Italian American community and the American public to find out and publicize exactly what happened. A complete understanding of the ethnic persecution that took place in this sad chapter of American history is the best guarantee that it will never happen again.

''A NOTE OF THANKS TO THE 'GREATEST' ''

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. MCINNIS. Mr. Speaker, looking forward toward July 4th, Independence Day, I believe it is absolutely appropriate that this country reflect on the sacrifices made to keep this country independent. Towards that goal, I would like to submit for the RECORD an essay by Philip Burgess which most eloquently makes the point.

A NOTE OF THANKS TO THE ''GREATEST''

A few days ago I received an e-mail from a friend, an attorney who reads a lot and is thoughtful about what he reads. He had a good idea for Memorial Day.

''Like many other Americans,'' he began, ''I have been reading Tom Brokaw's *The Greatest Generation*. As you know, it is a book of short stories about how ordinary Americans (farmers, factory workers and store clerks) came of age during the Great Depression and the Second World War and, in Brokaw's words, 'went on to build modern America—men and women whose everyday lives of duty, honor, achievement and courage gave us the world we have today.' They sought no praise or glory; they simply did a job they had to do.''

He continued, ''Today, I had an interesting experience. I attended a family gathering of a new Naval Academy graduate. His grandfather was there. As a young man, the grandfather had fought in the Pacific during WW II. Here I was, face-to-face with a member of the 'greatest generation.' As I visited with him, I was moved by my increasing awareness of how much he and his peers had contributed to democracy and other values I hold dear. I was also moved by the realization, that on an individual basis, I had never thanked a WW II veteran for what he or she had done for me and my family and the freedom and opportunities we now enjoy and too often take for granted.

''So, during a lull in the conversation, I approached the grandfather. I looked him in the eye and I told him that I'd been reading about and reflecting on what he and others like him had done for me and for the country during WW II. And then I said: 'Thank you for what you did.'

''As he looked at me, the grandfather's eyes began to water and he said: 'No one has ever thanked me for that before.' He then reached up and put his arm around my shoulders and said: 'Thank you. That means a lot to me.' We embraced, and then, with a tear in my own eye, I turned around and walked away.''

My friend's idea: ''As this Memorial Day approaches, I encourage you to think of WW II veterans (or any other war veteran) you know and communicate to them your personal thanks for what they did during that great war. WW II veterans are in the twilight of their lives. They will not be around forever to receive your thanks.''

I was moved by this note. I decided to start with a letter to my relatives who were part of ''the greatest generation.'' Uncle Bud served in the Pacific and would have been part of a Japan invasion force, but was delivered from that fate by President Truman's decision to use the atomic bomb rather than more American blood to end the war in the Pacific. Uncle Walt was a B–24 bomber pilot and a flight instructor. Aunt Betty was an Army nurse who accompanied the first infantry units in the liberation of the concentration camp at Dachau and returned with pictures and other mementos that document that many horrors that occurred there.

I have talked with them many times about their wartime experiences. But I have never thanked them for answering their call to duty nor for their many subsequent achievements, the fruits of which I enjoy today. I intend to fix that before the week is over. I've already started the letters, and with the first words last night, I began to realize that it's my spirit that will be enriched by writing these letters—at least as much as theirs will be lifted by receiving them.

A heart-felt ''thank-you'' always seems to work that way, but it's their spirit and their

achievements that we need to remember this Memorial Day.

SIKH JOURNALIST'S MAIL IS BEING INTERCEPTED

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. DOOLITTLE. Mr. Speaker, it has come to my attention that journalist Sukhbir Singh Osan, proprietor of *Burning Punjab* and a writer for several Indian newspapers, is once again being harassed by the Indian government. After he came to North America to cover the big Sikh marches in Washington, New York, and Toronto and made a speech in the United Kingdom on the human rights situation in India, he was grilled for 45 minutes by Indian intelligence officers. Now, Indian postal authorities are intercepting his mail.

In a letter to the Chief Postmaster of Chandigarh, which was brought to my attention by Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, Mr. Osan noted that postal officials were handling his mail over to police constables. Several important documents were found lying on the desk of a Deputy Inspector General of Police. Mr. Osan, who is a law graduate as well as a journalist, pointed out that this action violates the Indian constitution and violates a ruling by the Indian Supreme Court in 1995.

This is not the first time Mr. Osan has run afoul of the Indian state. His mail has been diverted before and he has received telephone threats for his reporting on corruption and human rights violations.

Here is Indian democracy in action. If you criticize the government, your mail is seized, the government grills you, and you are threatened. In spite of all this, Mr. Osan goes on providing information about the situation in Punjab, Khalistan on his website and in his articles. His courage deserves our respect.

This abuse of Mr. Osan's rights is just the latest Indian violation of the basic liberties of Sikhs in Punjab, Khalistan. In light of this pattern of tyranny, America should help bring liberty to the people living under Indian rule.

Let us use our influence constructively to bring freedom, peace, and stability to this troubled region before it turns into another Kosovo. If that happens, it could pose a serious danger to the entire world, given India and Pakistan's possession of nuclear weapons and India's alleged use of chemical weapons in the Kargil conflict. We must act now to keep this from happening.

IN RECOGNITION OF CHRIS CAHOON

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to laud the courageous efforts of Chris Cahoon, a resident of Warwick, Rhode Island, who recently came to the rescue of a choking child. Chris, a sixteen year-old volunteer at the Washington Fire Department in Coventry, Rhode Island, was spending Father's Day with his family at a local restaurant when he notices some commotion at another table. A father was slapping his son on the back, trying to assist his choking ten year-old. Using the quick thinking and first aid training he had learned as a Fire Scout, Chris leapt from his seat and deftly administered the Heimlich maneuver to the child, who, after being examined by the local rescue team, was able to resume his meal. For his decisive action, Chris earned the respect and gratitude of the child, his family, and the assembled emergency medical technicians.

Such mature behavior may seem uncharacteristic of a sixteen year-old, though Chris's family and acquaintances have known of his dedication to helping others since his earliest days. Like many young children, Chris once told everyone within earshot that he wanted to grow up to be a firefighter. However, unlike other youths, Chris followed his dream and joined the Washington Fire Department's Fire Scout Program at the early age of thirteen, a full two years before the standard admission age. Bill Hall, director of the program, recognized Chris's enthusiasm and ability and thus waived the minimum age requirement for the young protege. Chris did not disappoint, excelling in all aspect of the training, from pulling lines to dressing hydrants, and perhaps most importantly, first aid. Not surprisingly, Chris is considered one of the most adept alumni of the program, and wishes to continue his training after high school by pursuing a career in firefighting. Given his previous accomplishments, Chris Cahoon will have shining career in public service ahead of him.

Not only does Chris's heroic action give us reason to recognize a commendable young man, it also provides proof that America's youth are still learning important values such as self-improvement, service to others, and selflessness. Chris had a childhood dream—a noble dream—and he was encouraged to pursue this path by the community around him, most notably by his parents, Debbie and Gene Cahoon. Mr. Speaker, I am proud of Chris and hold him as an example of what our children may accomplish if they are provided with nurturing surroundings. Furthermore, I salute him personally for his heroism and kindness.

HONORING DWAIN HAMMONS UPON HIS RETIREMENT

HON. ROY BLUNT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BLUNT. Mr. Speaker, I rise to honor Dwain Hammons who retires this week from Hammons Products Company in Stockton, Missouri, as the chief executive officer. Hammons Products Company known at one time as "Missouri Dandy," has for the past 53 years bought, shelled, and sold Eastern Black Walnuts. In just a little over half a century, Hammons Products Company has become the world's foremost supplier of the Eastern Black Walnut. This becomes even more significant when you realize they created a market that at the time was virtually non-existent in the sale of Eastern Black Walnuts.

Hammons Products Company began as a dream of Dwain's father, Ralph, in 1946, when he was a local grocery store owner in Stockton. Ralph's dream eventually became a reality that Dwain has never lost sight of as he has continued building their business year after year. Dwain has led his family and the business through the changing of the times in the past 50 years. Although Dwain deserves much of the credit for the success of the business, he rarely accepts it. Instead he gives the credit to his father, Ralph, who urged him to always be willing to advance and modernize the company. He also credits the employees, who he will tell you have been a steadfast example of the company's mission statement, "To lead and grow the Black Walnut nut industry, and to excel in providing quality nut products and superior service with strong business integrity enhancing the economic well being and quality of life for owners, employees, customers, suppliers, and our communities." An example he is quick to give is how they helped to invent the companies first walnut shucking machine.

For everyone who knows Dwain and has worked with him, they will quickly tell you he is an example of the mission statement and deserves recognition as he has worked consistently year after year to ensure the Black Walnut will be here for years to come. It is in that effort he has established the Tree Research and Management division to study the Black Walnut tree. Dwain is also a conscious conservationist and has allowed nothing to be wasted when it comes to the walnut itself. After the walnut is shucked, it is then ground into six different sizes where it can be used as a cleansing and polishing agent for jet engines, electronic circuit boards, and jewelry. It is also used in oil well drilling, water filtration systems, soaps, cosmetic and dental cleansers.

Dwain is more than just a successful businessman. He is a servant to his community, State, and Nation in many different roles. In the community of Stockton, he served on the Board of Alderman for six years and as town mayor for four. He is a life member of the Stockton Lions Club and has served as their president. He is also a member at the United Methodist Church in Stockton where he has been a member of the choir for over 40 years and served as its director for over 20. He has been active in the Boy Scouts at the local, district, and council levels. In the State of Missouri, he has served on the Governor's Task Force on Rural Economic Development, a member for six years on the Missouri State Chamber of Commerce, Executive Board and on the Advisory Board of the University of Missouri School of Forestry, Fisheries and Wildlife. These are just to name a few. At the national level he was awarded the Meritorious Service Award from the National Walnut Council and is also a lifetime member. The National Association of Marketing Officials awarded him the National Marketing Award. In 1992 he was awarded by President George

Bush and this body the Teddy Roosevelt Conservationist Award. And, while it is most important to recognize his achievement in those areas, I would be remiss not to note how he has always been devoted to his family first. I think it shows as his son Brian is ready to take the reins of the business and lead it into the twenty-first century.

Although Dwain will be missed on a daily basis at Hammons Products Company, we all know he will not be far away because his love for the Eastern Black Walnut will keep him close by. So remember, the next time you enjoy the rich, distinctive flavor of the Eastern Black Walnut that you did not have to crack yourself, to be sure to thank Dwain and know he will be thanking you. Thank you, Dwain, for your commitment to your family, the business, and being so willing to give of your time and talents to your community, State, and Nation. Your involvement and self-sacrifice is an example we can all follow and live our lives by.

A TRIBUTE TO JARED MARKGRAF; FOR HIS PROMOTION TO THE RANK OF EAGLE SCOUT

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Jared Markgraf, Boy Scout, from San Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Jared Markgraf will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Jared on this respected accomplishment.

TRIBUTE TO STEVE BAUER

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to congratulate Steve Bauer on his acceptance into the prestigious Illinois Mathematics and Science Academy in Aurora. Steve is a 15 year-old freshman at Southwestern High School. When the principal of Southwestern, Lynne Chism, was asked abut his acceptance she replied, ''It's a great honor for Steve and our school.'' When Steve was asked about his acceptance he said, ''It's a great opportunity in my life to study at one of the best math and science schools in the country.''

Steve's parents, Pamela and David Bauer of Brighton are proud of their son but they are going to miss him. ''We'll be baking a lot of cookies to send to Steve at school,'' said his grandmother Betty Wright. Bauer wishes to maybe study engineering or medicine, but whatever he chooses to do in life I'm sure he will be successful.

HONORING THE MEN AND WOMEN WHO HAVE SERVED THEIR COUNTRY AT THE EL TORO AND TUSTIN AIR STATIONS

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. COX. Mr. Speaker, I rise today to commemorate the July 2, 1999 closing of United States Marine Corps Air Stations Tustin and El Toro, and to pay respect to the many thousands of dedicated Marines and Orange County civilians who served their country at these two military facilities over the past 50 years.

Commissioned in 1942 as a U.S. Naval Lighter-Than-Air Base, MCAS Tustin was originally home to a fleet of helium-filled airships which conducted anti-submarine patrols off the Southern California coast. The site was decommissioned in 1949 but reactivated in May 1951 with the onset of the Korean War. The facility subsequently became a helicopter base, and in 1970 the facility was annexed by the City of Tustin and renamed Marine Corps Air Station Tustin. From World War II through the Persian Gulf War, the Marines at MCAS Tustin have played a critical role in protecting our national security. From 1962 to 1971, elements of Tustin's Marine Aircraft Group 16 were deployed to South Vietnam and Thailand, becoming the largest Aircraft Group in the history of the Corps. In August 1990, MAG–16 began deploying what eventually became five squadrons to Saudi Arabia for participation in Operations Desert Shield and Desert Storm. In all, MAG–16 flew over 11,000 sorties and 24,000 flight hours in support of the liberation of Kuwait.

Commissioned in 1943, MCAS El Toro was originally established as a training field for Marine pilots as part of the escalating war in the Pacific theater of World War II. In 1955, the Third Marine Aircraft Wing was moved to El Toro from Florida. Between 1968 and 1974, MCAS El Toro served as President Nixon's arrival and departure point to his ''Western White House'' in San Clemente. In 1975, the air station made history as part of ''Operation New Arrival'' by serving as the initial point of arrival into the U.S. for 50,000 refugees fleeing the repressive communist government of Vietnam. During Operations Desert Shield and Desert Storm, the Third Marine Air Wing flew more than 18,000 sorties and delivered approximately 30 million pounds of ordnance against enemy targets. El Toro Marines also participated in Operation Sea Angel in Bangladesh in 1991, Operation Restore Hope in Somalia in 1992, and Operation Nobel Response in Kenya in 1998.

It has been an honor to represent these fine Marine bases during my career in Congress. The Marines stationed at El Toro and Tustin have been the best of neighbors. Their service to the Orange County community has been an invaluable asset to a wide variety of groups including needy children and the homeless. Their annual air show raised funds for many outstanding local charities and provided a wonderful outreach to millions of people from throughout Southern California.

Most of all, the Marines' service to our country from these bases has helped to ensure freedom and liberty for all Americans.

I know my colleagues will join with me in marking the close of an era, and in honoring the outstanding men and women of El Toro and Tustin for their half-century of dedication and commitment to safeguarding our nation's security.

A TRIBUTE TO HUGH ROBINSON

HON. ROY BLUNT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BLUNT. Mr. Speaker, I rise to pay tribute to an aviation pioneer and the community in Newton County, Missouri where he grew up. From Neosho, Missouri, Hugh Robinson entered the annals of aviation history, especially as it relates to the military. He is credited with making the third successful aircraft flight in 1907.

From there he created a series of first flights that may be unequaled in history. He was the first pilot to execute a right turn. Prior to this, it was believed that a plane would be torn apart by the force of such a maneuver. In 1911 he made the first authorized air mail flight; the first medical flight by carrying a doctor to a sick patient by airplane; the first to fly a hydroplane and the first pilot of a monoplane. He also helped design and build the first commercial airplane. Robinson trained the first military test pilots for the United States, as well.

Perhaps he is best known as the inventor of a simple device that still makes even the modern wing of the U.S. Navy possible—the tailhook.

Hugh Robinson wasn't satisfied though. He created his own career in the circus. He developed the ''Globe of Death'' where he rode, first a bicycle, and later a motorcycle at 60 miles per hour inside a giant globe. His death-defying act, developed in Neosho, made him the highest paid circus act in America.

This 4th of July weekend was chosen as the appropriate time to pay tribute to Robinson and his contributions to aviation and his service to country. The Neosho Municipal Airport will be named in honor of Robinson in ceremonies this weekend.

The Neosho Hugh Robinson Airport as it will be known has just finished several important improvements. The approaches to the runway had obstacles that left several hundred feet of the 5,000 foot surface unusable. Those obstacles have been removed, with crucial aid from

federal sources, and now the airport can accommodate larger aircraft for a local firm that overhauls jet engines.

The road leading to the airport was relocated as part of the improvements. It will be named for Neosho Police Officer Terry Johnson who was killed earlier this year in a flying accident at the airport.

The celebration in Neosho will be marked by hot air balloons, a Civil War living history display, an air show, ground displays of the Confederate Air Force and military aircraft, and, naturally, fireworks. Music, crafts and lots of friendly Ozarks people should make this a wonderful weekend to visit Neosho and to honor the work of Hugh Robinson. (1882–1963)

PERSONAL EXPLANATION

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. HOEFFEL. Mr. Speaker, on rollcall vote No. 259, H. Con. Res. 94, I erroneously voted ''aye.'' My vote should have been in the negative.

COMMEMORATION OF THE VICTORY OF FREEDOM IN THE COLD WAR ACT

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. LAZIO. Mr. Speaker, I come to the floor of the House today to introduce the Commemoration of the Victory of Freedom in the Cold War Act, a bill to recognize the accomplishments of the American people in winning the Cold War.

On September 26th, 1996, this House debated and approved without dissent, House Concurrent Resolution 181, which I offered to begin the process of national recognition for the tens of millions of citizen-patriots, who had participated in our 46 year Cold War struggle.

In 1997, both Houses of Congress amended the President's proposed fiscal year 1998 National Defense Authorization Act to authorize a Cold War Certificate of Recognition to honor the more than 22 million veterans of the Cold War. In that act, we established the date for the start of the Cold War as September 2d 1945, to coincide with the signing of the Peace Treaty with Japan, thus ending World War II and our alliance with the Soviet Union. In that act, we also established the date for the end of the Cold War as December 26th, 1991, to coincide with the end of the Union of Soviet Socialists Republics and the birth of the Commonwealth of Independent States.

The people of the United States of America should recognize and celebrate the grandeur of this historic accomplishment:

Four hundred million people in Europe and Asia were liberated from Soviet communism; Germany was united peacefully; the states of western Europe buried their historic animosities and started creating a peaceful European Union; struggles, which boiled over into conflicts all around the world, from Korea and Vietnam to Afghanistan and El Salvador, and threatened the nuclear annihilation of the entire human race ended without that horrible outcome; the potential for a truly global economy where the potential of the entire human race is available for the first time in the history of mankind was opened; and the American people and economy, long tied to the costs and commitments of defending the Free World, were unleashed resulting in the second longest period of uninterrupted growth in U.S. history.

During the Cold War, there were moments of great fear. We all remember the sealing of the western sector of Berlin and the threat of starving an entire city; the launching of Sputnik with the realization that the Soviet Union was a determined, resourceful foe; and the Cuban Missile Crisis which led us to the brink of war.

There were also moments of great stress and despair in our own nation. We went to battle for our beliefs. In the war in Korea, we lost more than 50,000 Americans. The war in Vietnam tested America's resolve. Our nation was torn apart so badly that some scars have yet to heal.

But there were also moments of pure magnificence. The Berlin Airlift and Inchon were great military successes and added to the honors of Armed Forces. Americans landing on the moon, the first safe return of the Space Shuttle, and the creation of the Internet are symbolic of an explosion in the development of useful technology.

Now, it is time to demonstrate our great respect for men and women who actually carried the burden of the policy of the United States during this Cold War. This bill, which would authorize the creation of a Department of Defense Cold War Victory Medal and create a Commission to plan for our celebration, is designed to do just that.

This recognition is long overdue. Last week, in Hauppauge, New York, at the annual ceremony which commemorates the beginning of the Korean War, Korean Americans and representatives of the Korean government spent 90 minutes thanking Americans for what they sacrificed for their people and their nation. While some Americans may not realize the significance of their accomplishments, the people of Korea do. So have the people of Berlin and the people of the Federal Republic of Germany who thanked America for saving Berlin just a few months ago at a ceremony at Ronald Reagan Airport.

As the tenth anniversary of the fall of the Berlin Wall approaches, and as we begin a series of tenth anniversaries of critical events which led to the final end of the Cold War, it is appropriate that we act now to thank those generations of Americans who gave the world peace. And there is an urgency! Many who served during the last days of World War II have already departed for a better place. We need to move on this quickly to ensure that this nation extends its thanks to as many patriots as possible.

A TRIBUTE TO KIRK THOMAS BUECHNER; FOR HIS PROMOTION TO THE RANK OF EAGLE SCOUT

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GONZALEZ. Mr. Speaker, I rise today to offer my sincerest congratulations to Kirk Thomas Buechner, Boy Scout, from San Antonio, TX, upon the notification of his advancement to the rank of Eagle Scout.

Boy Scouts are awarded the prestigious rank of Eagle Scout based on their faith and obedience to the Scout Oath. The Scout Oath requires members to live with honor, loyalty, courage, cheerfulness, and an obligation to service.

In addition the rank of Eagle Scout is only bestowed once a Boy Scout satisfies duties including, the completion of 21 merit badges, performing a service project of significant value to the community, and additional requirements listed in the Scout Handbook.

In receiving this special recognition, I believe that Eagle Scout Kirk Thomas Buechner will guide and inspire his peers, toward the beliefs of the Scout Oath. I am proud to offer my congratulations to Kirk on this respected accomplishment.

EDEN UNITED CHURCH OF CHRIST

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to commend the Eden United Church of Christ in Edwardsville, IL for their unparalleled contributions to the community. The church has joined hands with Habitat For Humanity to form the Vacation Bible school who's mission is to build a better foundation for life by learning the lessons of the Bible. Children join together to build toolboxes, picnic tables and other odds and ends to grace homes built by Habitat For Humanity.

Cory Luttrell, a 7-year-old participant in the school, is having a great time. ''It gives people a place to put their tools after they build houses. They worked hard, so we should be helping them,'' Cory said. There are currently 1,700 Habitat For Humanity affiliates in 62 countries and they are responsible for the construction of more than 100,000 homes. The cooperation of Eden United Church of Christ and Habitat For Humanity is a great example of how organizations can come together so that they can better serve the community.

REPEALING THE ANTI-CALIFORNIA PROVISION OF THE CLEAN AIR ACT

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. COX. Mr. Speaker, currently, California is arbitrarily limited to no more than 10% of

the funds under the Clean Air Act's section 105 grant program. (Nationally, that program will provide $115 million in state and local clean air grants in 1999.) Yet our state represents more than 12% of the nation's population and pays more than 12% of total federal taxes. What's more, our state is home to the only "extreme" clean air designation in the country—the Los Angeles basin.

Today, I am introducing legislation to end this inequity, under which California generally, and Los Angeles specifically, are significantly underfunded by Clean Air Act air pollution planning formulas. The bill eliminates the 10% maximum level of funding for any one state under the section 105 state and local clean air grant program.

The bill does not authorize or compel more funds to be appropriated under the section 105 grant program. It simply states that California should be able to receive its fair share of those funds that Congress does choose to appropriate.

This legislation is supported by the South Coast Air Quality Management District, who recently came to Washington to speak to members of our state's delegation about the need to end this arbitrary statutory limit, which directly injures California.

CONGRATULATIONS TO KELLY PHIPPS

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. REGULA. Mr. Speaker, the United States Institute of Peace held its twelfth annual National Peace Essay Contest and I am proud to announce that Ms. Kelly Phipps of my district won first place in Ohio. Ms. Phipps is a student at Jackson High School in Massillon, Ohio. Students are asked to write about the different measures that can be taken to prevent international conflicts.

The Peace Essay Contest is designed to encourage young people to think about international conflict management and resolution. Ms. Phipps wrote her essay on "Economics in Preventive Diplomacy: The Treaty of Versailles vs. The Marshall Plan."

I include a copy of her essay for my colleagues to review:

ECONOMICS IN PREVENTATIVE DIPLOMACY: THE TREATY OF VERSAILLES VS. THE MARSHALL PLAN

When desire for revenge clouds rational policy making, the results are disastrous. A comparison between the Treaty of Versailles and the Marshall Plan demonstrates effects of vengeance in foreign affairs and the need for nurturing economic policies to prevent conflict. After World War I, the harsh measures imposed upon Germany through the Treaty of Versailles not only failed to prevent future conflicts, but fueled the rise of the Third Reich. Under similar circumstances, the Marshall Plan created after World War II successfully rebuilt Western Europe, deterring threats on two fronts and proving that measures to strengthen economies are crucial to prevent hostility.

After an armistice was reached on November 11, 1918, Lloyd George of Great Britain, Georges Clemenceau of France, and Woodrow Wilson of the United States led the Peace Conference in Paris ending World WAr I (A.A.I.R. 3, Goodspeed 269). Because of Germany's 1914 declarations of war on Russia and France, fear of further German aggression guided the conference (A.A.I.R. 3, Goodspeed 270). To prevent another widespread conflict, the conference produced the punitive Treaty of Versailles and created the League of Nations for enforcement.

The treaty signed on June 28, 1919, devastated the German Empire. Articles 118 and 119 stripped Germany of all overseas possessions, turning them over to the Allied and Associated Powers (A.A.I.R 84). Based on declarations of war on France and Russia in 1914, Articles 231 and 232 held Germany independently accountable for the war and forced compensation for all damages in foreign territories (A.A.I.R. 123). The Treaty required Germany to pay 20 billion gold marks as an initial installment (Goodspeed 273). The total cost of reparations was 132 billion marks, to be paid over 35 years (Watt 503).

"It does much to intensify and nothing to heal the old and ugly dissensions between political nationalism and social democracy," warned the editors of the *New Republic*, claiming the Treaty was "bound to provoke the ultimate explosion of irreconcilable warfare ("Peace at Any Price" 184). As the value of the mark plummeted under austere economic penalties, desperation and resentment spread among the German people, setting the stage for the conflict between ultranationalists and democratic Western Europe. By 1923, the mark devalued to 5 million for every American dollar (Goodspeed 278–79). Devastating inflation consumed the saving of the German workers, creating disillusionment in Weimar Germany and a base of support for Nazism within the middle class (Pennock and Smith 562). A few months before the Treaty of Versailles was adopted, nationalistic parties accounted for a mere 15% of the German vote. By 1924, inflation had skyrocketed and nearly 39% of Germans were voting Nationalist (Pennock and Smith 567).

In 1924, the United States funded the Dawes Plan, offering limited loans to Germany (Goodspeed 286). The Dawes Plan both reduced the harshness of the Treaty of Versailles and eased Germany's nationalistic tendencies. After 1924, support for these parties decreased from 39% to 30%, illustrating the ties between economics and militant nationalism (Pennock and Smith 567). However, the withdrawal of German nationalism was only temporary; at the onslaught of the great Depression, the festering humiliation from the early 1920's resurged without restraint (Goodspeed 287).

The German elections of 1930 revealed increasing Nazi support. Party membership grew from 400,000 to 900,000, and Nazis claimed over a third of the seats in the Reichstag (Goodspeed 295). Nazi leaders such as Hitler used the humiliation and hardship caused by the Treaty of Versailles as a flash point for inciting German supremacy and desire for revenge among the German people (Goodspeed 273). The Nazi Secret Service offered employment to the nearly 6 million unemployed Germans who were turning to Nazism as a more secure alternative to the status quo (Goodspeed 295). Finally, the Enabling Act of 1933 passed in the Reichstag, giving Hitler absolute power for four years. With the entire nation under his whim, the Fuhrer could enact his dreams of a master race and German expansionism (Goodspeed 297).

While vengeance motivated the Treaty, moral concerns prevented the absolute destruction of Germany. Incidentally, it may have been this compromise that allowed Germany to reemerge as a global threat. As Machiavelli explains to Lorenzo De' Medici in *The Prince*, "Whoever becomes the master of a city accustomed to freedom and does not destroy it may expect to be destroyed himself . . . In republics there is more life, more hatred, a greater desire for revenge; the memory of their ancient liberty does not and cannot let them rest . . ." (48–49; ch. VI). The Treaty was enough to spark indignation in Germany, but not strong enough to prevent revenge. While annihilation of an enemy may be key to retaining power, reducing the humiliation of the enemy through reconstruction is morally superior and can ensure lasting peace.

After World War II, the Third Reich was disbanded, leaving the German in the hands of the Allies for the remainder of the year (Shirer 1139–40). The situation resembled the period following WWI, with the addition of threats of Communist aggression from the newly empowered Soviet Union. Reconstruction was necessary, but U.S. funds were scattered among the International Monetary Fund (IMF), the Export-Import Bank and the United Nations. Two years and $9 billion later, exports were still down 41 percent from 1938 levels (Hogan 29–30).

In 1947, Secretary of State George C. Marshall introduced a plan "directed not against any country or doctrine, but against hunger, poverty, desperation and chaos . . ." (Marshall 23). In his speech, Marshall explained that lasting peace required a cohesive aid program to solve the economic roots of conflict (Marshall 23–24). The Marshall Plan was intended to avoid another German nationalist backlash and to create a stable democratic Europe to deter Soviet expansion (Hogan 27). Both objectives were well-founded in history. First, as a proven by the reduction of militarism in Germany after the Dawes Plan, economic stability checks the threat of militant nationalism. Also, just as German aggression in WWII occurred while Europe suffered from depression, economically weak nations are more likely to be attacked. Finally, Marshall aid would create confidence in capitalism, countering Soviet influence (Mee 248). With the intentions of Marshall Plan logically devised, economic success was all that was needed for the prevention of conflict.

The Foreign Assistance Act of 1948 began U.S. action on Marshall's recommendations (Hogan 89). The Economic Endorsement Act made an international economic infrastructure a prerequisite for American aid; so the Committee for European Economic Cooperation was formed to develop a plan for European self-sufficiency (Hogan 124). Discussion in the 16-nation panel included the agriculture, mining, energy and transportation sectors of the economy, as well as recommendations for a more permenant regulatory body (Hogan 60–61). The resulting Organization for European Economic Cooperation (OEEC) included all Western European nations except Germany and directed the use of U.S. aid (Hogan 125–126).

Under OEEC, the United States poured aid dollars into Europe while increasing international trade through most-favored-nation agreements. The U.S. spent over $13 billion on aid—1.2 percent of the U.S. GNP (Mee 258, Wexler 249). Efficient use of funds made economic improvements drastic and swift. Between 1947 and 1951, Western Europe's GNP increased by nearly $40 billion, a 32 percent

increase, and industrial production grew 40 percent above 1938 levels (Wexler 250–51). With Western Europe fortified, aid could safely be extended to Germany (Mee 239).

In addition to combating nationalism, German reconstruction created a buffer to communist East Germany and added industrial resources to the European economy. Still scarred from past invasions, France refused to allow Germany to sign the OEEC protocol in April 1948. Later, with U.S. pressure, Germany has included in trade and was given funds, making German reintegration a common goal (Hogan 129–130). By the fall of 1948, many issue shad been resolved and the Allies began to draft a framework for an independent, democratic West Germany. By 1964, Marshall aid increased foreign trade by 100 percent, boosted industrial production by 600% and reduced unemployment to a mere 0.4%. In Germany, the Marshall Plan had become more than just an aid package; it had jump-started production, preventing the conditions that spawned the Third Reich after W.W.I (Mee 256–57).

Today, American preventive action largely consists of sanctions to debilitate enemies or diluted aid policies that rely on handouts alone. The current situations of America's Cold War adversaries demonstrate the inadequacies of both policies. Like the Treaty of Versailles, America's continuing vendetta against Fidel Castro has produced decades of embargoes and hardship, but no signs of capitalist reform (Leeden 24). In the economically unstable Russia, current policies of IMF aid may seem similar to the Marshall Plan, but missing components will allow the ruble to continually devalue. Increased trade and regulatory body could permanently stimulate production, but dumping aid into a faulty infrastructure is temporary and wasteful (''Other Marshall Plan'' 29).

While the iron first of the Treaty of Versailles dragged the world into a second World War, the Marshall Plan broke the cycle of German aggression. Additionally, the reconstructed nations created a power balance that helped keep the Cold War from igniting a full-blown conflict. While they may intimidate some countries, harsh economic measures punish innocent civilians and will always pose the risk of a backlash. Nourishing free-trade policies address the root causes of many conflicts, promoting more permanent peace. History demonstrates the need to remove vengeance from preventative diplomacy and address the world's problems with a more wholistic, stabilizing approach.

WORKS CITED

American Association for International Reconciliation. *Treaty of Peace with Germany*. New York: American Association for International Reconciliation, Sept. 1919.

Goodspeed, D.J. *The German Wars: 1914–1945*. Boston: Houghton, 1977.

Hogan, Machael J. *The Marshall Plan*. New York: Cambridge UP, 1987.

Leeden, Michael, ''The Trade Weapon and Other Myths.'' *The American Spectator*. Feb. 1998: 22–27.

Machiavelli, Niccolo. *The Prince*. Trans. George Bull. 1961, New York: Penguin, 1981.

Marshall, George C. Address. Harvard university, 5 June 1947. Rpt. in *Documents in World History, 1945–1967*. W. Bruce Lincoln, ed. San Francisco; Chandler, 1968. 22–24.

Mee, Charles L., Jr. *The Marchall Plan*. New York: Simon, 1984.

''The Other Marshall Plan.'' *The Economist* 7 June 1997: 29.

''Peace at Any Price.'' Editorial. *The New Republic* 24 May 1919. Rpt. in *World War and Prosperity*. Chicago: Encyclopedia Britannica, 1968. Vol. 14 of *The Annals of America*. 18 vols. 183–87.

Pennock, J. Ronald, and David G. Smith. *Political Science: An Introduction*. New York: Macmillan, 1964.

Shirer, William L. *The Rise and Fall of Nazi Germany*. New York: Simon, 1960.

Watt, Richard M. *The Kings Depart*. New York, Simon: 1968.

Wexler, Immanuel. *The Marshall Plan Revisited*. Westport: Greenwood, 1983.

PERSONAL EXPLANATION

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. NEY. Mr. Speaker, on June 8, 1999, the House voted on the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies FY 2000 Appropriations Act. More specifically, when the vote on the Chabot amendment (rollcall No. 174) took place, I was unavoidably detained. The Chabot amendment would have sought to prohibit funding for Market Access Program allocations. If I was present, I would have voted "no."

SUMTER, SOUTH CAROLINA ROTARY CLUB DEVELOPS ''CART'' FUND

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SPRATT. Mr. Speaker, every day Alzheimer's disease claims more victims. Over four million Americans suffer from this dread disease, and scientists predict that unless cures are found, the number of victims will grow to fourteen million within the next twenty-five years. More people are also experiencing the tragedy second-hand as family members or friends of someone afflicted with Alzheimer's. They too feel helpless in the face of this awful illness. Options for treatment are limited, and care for the victim can be difficult and demanding. Family and friends become frustrated, not knowing what they can do.

The members of the Rotary Club in Sumter, South Carolina have found that there is something we can do. They have devised a technique to raise money for research, a technique so successful that I would like to share it with Congress and call attention to it, because what Rotarians have started in Sumter deserves to be copied across America.

There is hope on the horizon for Alzheimer's disease. Research teams are making progress in our understanding the disease. In 1995, scientists identified the gene believed to cause the most aggressive form of the disease. But no cause or cure has been found yet, and future research will require millions of dollars.

To help support the search for a cure, the Sumter Rotary Club developed what it calls the "CART" fund—Coins for Alzheimer's Research Trust. At each club meeting, Rotarians are asked to empty their pockets of loose change—a small gesture that has generated large results. In a nine-month period, the 155 members of the Sumter Rotary Club raised over $4,200 in this manner. Their success led them to share their idea with District 7770, which consists of 71 Rotary clubs with some 5,000 members. District 7770 adopted the project in 1996, and made Roger Ackerman Chairman and Dr. Jack Bevan and General Howard Davis (Retired) Co-Chairmen. District 7770 is driving forward with two major goals—awarding a $100,000 grant to a medical institution on the cutting edge of Alzheimer's research and encouraging other Rotary districts to start a CART campaign. The other Rotary district in South Carolina, District 7750, plans to launch the project next month, and by next summer, the team hopes to add ten more districts. their ultimate goal: to have Rotary International to adopt the project.

I am proud to represent these enterprising Rotarians. I commend them for spearheading this worthy project and encourage others across America to follow their example.

BRIGHTON HERITAGE MUSEUM

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to commend the residents of Brighton, IL as well as the Brighton Heritage Museum for the great strides they have taken to educate children about the past. "Maybe if people knew what happened before it would help them to decide some things in the future," June Wilderman, curator of the museum said. The museum displays numerous artifacts and stories from American history that have been donated by residents. There is even a piece of stone taken from the site of the Washington Monument when it was being built.

I am pleased to see the community coming together to help educate its young people and trying to create a deep sense of patriotism in their children and grandchildren. Educating our youth about the past is an essential part of creating a positive future.

HONORING THE 20TH ANNIVERSARY OF THE NORTHWEST MICHIGAN HORTICULTURE RESEARCH STATION

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Ms. STABENOW. Mr. Speaker, Tuesday, July 6 marks the 20th anniversary of the Northwest Michigan Horticulture Research Station.

In 1979, cherry farmers, Michigan State University horticulture and Extension faculty, Michigan Department of Agriculture, USDA and fruit industry representatives banded together, sharing information and resources, to form a research station in the hopes of keeping themselves on the cutting edge of agriculture techniques.

Today all of the partners in the Northwest Michigan Horticulture Research Station can reflect with pride at what they have accomplished. Northwest Michigan's cheery farming industry is stronger than ever. The research station has helped northwestern farmers address unique cherry farming issues. Farmers have increased their crop yields by using innovative, field-tested agriculture techniques. Faculty have had a real life laboratory to experiment with farming techniques, and Michigan State University horticulture students have benefited from a facility to apply their classroom knowledge.

The Northwest Michigan Horticulture Research Station has brought Michigan growers the latest information on the most successful agriculture methods through a broad-based, grassroots network of farmers.

Today I would like to recognize the efforts of the Northwest Michigan Horticulture Research Station and thank the station for its continuing to help Michigan agriculture address the challenges of the next century. Through the cooperative efforts of the Northwest Michigan Horticulture Research Station, northwestern Michigan will remain the "Cherry Capital of the World."

ONE HUNDREDTH ANNIVERSARY OF WYANDOT COUNTY COURTHOUSE

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. OXLEY. Mr. Speaker, it is my honor to acknowledge the one hundredth anniversary of the Wyandot County Courthouse in Upper Sandusky, OH, in this year of its renovation and rededication.

Established in February of 1845, Wyandot County used as its first official meeting place the old Council House of the Wyandotte Indians. The sale of land in and around present-day Upper Sandusky provided the funds for the first permanent courthouse, which was used until close to the turn of the century. Construction of the current courthouse started in 1897 and was a completed in June of 1900.

At the original dedication of the Courthouse in August of 1900, it was described as a "magnificent public edifice, combining the classical beauties of Grecian, Doric, and Romanesque architecture" that was declared "one of the finest structures of its kind in the State of Ohio." With its majestic dome dominating the city's skyline, the Courthouse remains an equally magnificent sight to this day.

Perhaps the most noteworthy aspects of the Courthouse, though, are the murals that adorn the courtroom and dome. Sandy Bee of Centerville, OH, took painstaking care to restore the paintings of Mercy, Truth, Justice, and Law that tell the history of the Wyandotte Indians. She also hand-painted new murals for the dome area that depict Spring, Summer, Fall, and Winter in the farming community. In addition, pictures taken by Harry E. KInley and used during the celebration of Wyandot County's sesquicentennial now adorn the Courthouse hallways.

I salute the Wyandot County Commissioners, Sandy Bee, and other officials, workers, and citizens of Wyandot County whose hard work has made this centennial renovation and rededication a success.

DR. GLORIA SHATTO

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BARR of Georgia. Mr. Speaker, from time to time we are blessed with rare individuals who possess a vision with the power to transform a community, or skills that fundamentally reshape and revitalize an institution. Dr. Gloria Shatto, who recently passed away in Rome, GA, was one of those rare people.

When Dr. Shatto was named to the presidency of Berry College in Rome, in 1980, she became the first woman ever selected to serve as president of a Georgia college or university. During her tenure, Gloria Shatto returned Berry College to a sound fiscal footing, and firmly established its reputation as one of America's top liberal arts schools.

During her career, Dr. Shatto made tremendous contributions to education on the faculties of the University of Houston, the Georgia Institute of Technology, and Trinity University. In government, her contributions were no less significant when she served on the Georgia Forestry Commission, the Georgia Commission on Economy and Efficiency, and the U.S. Treasury Small Business Advisory Committee. Finally, in the corporate sphere, she made similar contributions, serving on the boards of directors for the Southern Company, Georgia Power, Texas Instruments, and Becton Dickinson and Co.

The thousands of students whose lives Dr. Shatto touched join me in praising her for living her life to the fullest, and making tremendous contributions to her associates, Berry College, and the Rome community. Although she will be sorely missed, we can take comfort in the knowledge that she left behind a tremendous legacy.

CONGRATULATING DEBORAH HEART AND LUNG CENTER ON ITS 77TH ANNIVERSARY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Deborah Heart and Lung Center on its 77th anniversary of providing care to the residents of New Jersey. This hospital has been a leader in its field for generations, saving the lives of thousands of individuals through the dedication of its staff and volunteers. Its physicians have pioneered breakthrough developments in the treatment of heart and lung disease and its administrators have seen that no one—no matter how poor—is turned away for lack of ability to pay. Deborah is a unique facility and we count ourselves lucky to have it in our state.

Heart disease in the No. 1 killer in America today. But in the early part of this century, that dubious distinction belonged to tuberculosis. By the 1920's, with one of every seven Americans being killed by the debilitating and highly contagious disease, prevention and cure of TB had become a national obsession.

Horrified by the sickness and suffering she witnessed in New York City, wealthy philanthropist Dora Moness Shapiro decided to open a sanitarium where indigent TB patients could receive treatment. In 1922, Mrs. Shapiro purchased an existing 32-bed sanitarium in Browns Mills, NJ, and arranged for its previous owner, Dr. Marcus Newcomb, to stay on as consulting physician. Mrs. Shapiro also organized the Deborah Jewish Consumptive Relief Society to raise funds for operation of the facility, taking the name Deborah from the Hebrew prophet who rallied the Israelites in their struggle against the Canaanites. Mrs. Shapiro became the society's first president.

By 1930, the sanitarium was well established and construction began on a brick, five-story building to replace the three original wooden cottages. Dr. Henry Barenblatt was hired as the first resident physician. The 1940's were a time of growth, with the addition of a surgical operating room and additional buildings. Deborah worked closely with Dr. Charles Bailey, a Philadelphia surgeon who pioneered treatment for TB, and with the increasing chemical therapies for the disease. By the early 1950's, the medical community's success in combating the disease had made Deborah and other TB sanitariums obsolete.

Rather than closing its doors, Deborah restructured itself as a hospital for heart and lung diseases beyond TB. Deborah provided support for research conducted by Dr. Bailey and arranged to provide post-operative care for heart patients who underwent surgery at Hahnemann Hospital in Philadelphia. Dr. Bailey conducted the first on-site heart surgery at Deborah in 1958 and a series of milestones followed in quick succession, including the opening of a cardiac catheterization laboratory, Deborah's first cardiac catheterization surgery and the hospital's first surgery to implant a pacemaker.

Throughout the 1960's and 1970's, Deborah grew rapidly into a world-class heart and lung center, attracting recognized experts to practice and teach and encouraging research among its own medical staff. New facilities were opened, including a dedicated pediatric unit, and the scope of services was expanded to include emphysema and occupational lung diseases.

Today, Deborah is a world-renowned center for cardiac and pulmonary care. Its physicians have traveled around the world to perform surgery on children and teach their skills to colleagues. A number of new treatments have been pioneered at Deborah and in 1994 it was rated No. 1 in the nation for the lowest number of deaths among Medicare patients. The 161-bed teaching hospital provides state-of-the-art diagnosis and treatment to adults and children with heart, lung and vascular diseases, including treatment of heart defects in newborns, infants and children. More than 5,000 patients are treated each year.

True to Mrs. Shapiro's motto, "There should be no price tag on life," Deborah continues to accept patients regardless of their ability to pay and has never issued a patient a bill. Chairman Gertrude Bonatti Zotta, who has been involved with Deborah for more than 50 years, and President Spero Margeotes are proudly carrying Mrs. Shapiro's compassion and concern into the 21st century.

All of this has been made possible by thousands of volunteers who have given of their time and energy and helped find the necessary financial support. Regional chapters from Florida to New England coordinate efforts ranging from high school fund-raisers to professional golf tournaments to raise funds for the institution.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in congratulating Deborah Heart and Lung Center on 77 years of dedicated service. A hospital is more than just a building filled with beds and medical supplies. A hospital's true spirit lies in the men and women who dedicate their own lives to improving—often literally saving—the lives of others. These include most obviously the doctors, nurses and other medical professionals, but also the administrators, support staff, board members, volunteers and visionaries like Dora Moness Shapiro. They all deserve our deepest thanks.

WHAT WILL BE

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. DUNCAN. Mr. Speaker, the most respected living Tennessean is former Senator Howard Baker.

He had a very distinguished career in the Senate, having served 18 years. He also served 2 years as President Ronald Reagan's Chief of Staff.

He is a very successful lawyer in private practice in both Knoxville, TN, and Washington, DC.

Mr. Speaker, recently Senator Baker was asked to give the commencement address at the University of Virginia. I have attached a copy of his remarks that I would like to call to the attention of my colleagues and other readers of the RECORD.

"WHAT WILL BE"

It is a great honor to have been asked to be here today for what may be the most important day of your lives thus far. I congratulate you on your academic success. I commend the administration and faculty of this great university for educating you so splendidly. And I rejoice with your parents in their newly found economic freedom.

Recognizing that I am all that stands between you and your diplomas, I promise first of all to follow Winston Churchill's famous advice on public speaking: "Be sincere. Be brief. Be seated."

In thinking about these remarks, two books I read recently came to mind—one about the past and the other about the future.

Robert Lacey's The Year 1000 tells about life in England at the turn of the last millennium.

In those ancient days, life was different. It was a silent world, free of the noise of machinery or media and pungent with the aromas of nature. People worked hard, with their hands, and solved riddles for amusement. Theirs was a world of small villages and few people, and last names were just beginning to be used to distinguish one John or Elizabeth from another.

They spoke Englisc, a precursor to our own English language, which had already proven its remarkable adaptability, simplicity and poetry. (In this age of Jerry Springer, it is interesting to note that there were no curse words in Englisc. One could swear to something but not at anyone.)

They put hot lances on sores, and they used leeeches to draw disease from their bodies in deadly torrents of blood. Their scholarship consisted of copying the ancient texts of Greece and Rome. They clung to some of the pagan superstitions of their recent ancestors, but they had converted thoroughly to Christianity, and they kept faith with the one true church in Rome.

They knew they were living at the end of the first millennium, and this knowledge filled them with dread. This had nothing to do with Y1K computer glitches. The people of tenth-century "Engla-lond" were sure that the Devil was about to be released upon the earth after a thousand years of confinement, as the Bible's Book of Revelation foretold.

They worried, more generally, about the future itself. A tenth-century Old English poem, entitled "The Fortunes of Men," offers a variety of possible fates but leaves open the question of how each life will evolve. For the young men and women at the end of the 10th century, as of the 20th, the question of "what will be" dominated all others.

And just as the first millennium was about to pass, there appeared on the scene a remarkable invention. It was the abacus, the tenth century's version of a computer, and it would change everything in the next thousand years.

The centrality of such ingenious tools to human progress is the thesis of another book that came to mind in preparation for today. It is a remarkable little volume called The Sun, The Genome and The Internet, in which the author, Freeman J. Dyson of Princeton, argues that three new practical tools will yield similarly extraordinary changes in the life you will live in decades to come.

Dr. Dyson suggests that solar power perhaps, will finally end our dependence on the thermodynamic cycle.

He predicts that the mapping of the human genome, now well underway, will yield medical knowledge and practices so sophisticated as to make our present-day surgeries seem as barbaric as leeching and hot lances seem to us today.

And he sees in the Internet the ultimate democracy of knowledge, spreading inexorably to the remotest village on Earth with stunning consequences for us all.

If what Dyson foresees is true, you may look back fifty years from now on your world of 1999 as impossibly quaint and primitive, at least technologically. But if he is wrong, you may long for the world you see around you on this golden Virginia day.

What will be?

Will you save the world from environmental degradation, or will global warming wash you away?

Will you thrive in a professional world that rewards enterprise and courage, or will you be ground down in a working world that consumes all your time and steals your soul?

Will you live in a social world that truly values the content of one's character over the color of one's skin, or will you be mired in an unhappy world of grievance and anger?

Will you live in a political world that prizes civility and common achievement, or in a world where the quest for ideological purity or partisan advantage renders public service intolerable?

Will you live in a moral world that recognizes and honors clear standards of right and wrong, or in the swamp of situational ethics?

Or will you, like every generation before you, muddle through between these extremes as best you can?

The temptation will be strong in your lives to be mesmerized by the extraordinary things that will happen in your external world.

Most of you will live a very long time. If the demographers and scientists are right, many of you will live to be a 100 years old.

In the span of my life, we have gone from Lindbergh's solo flight across the Atlantic to putting men on the moon. We have gone from crude crystal radio sets to television to the internet. We have gone from summers filled with fear of contracting polio to the eradication of that scourge and many other diseases from the face of the earth.

Your generation will do a great deal more. You may ultimately consider space travel routine. Colonies on the moon are will within your reach. And there will be much more progress, many more practical tools, in your time than any generation, more than can even be imagined.

But I would urge you not to neglect the internal like—the life of the mind, the heart, the soul—that is the ultimate standard for measuring human progress. Each of you has an opportunity—and, I would suggest, a responsibility—to improve our culture, expand our knowledge, enrich our economy, strengthen our family, care for the outcast, comfort the afflicted, and fulfill the promise of humanity touched with divinity.

By these measures, we find ourselves today in some ways exactly where we were at the beginning of this century, if not this millennium. Now, as in the early 1900s, we are worried about Serbia. Now, as then, we are concerned about senseless acts of violence. Now, as with the people in the English village in the year 1000, we are helpless against the awesome force of nature.

Progress is inevitable, but problems, particularly problems between people—can be stubborn, intractable things. On this wonderful spring day, you will be excused for only seeing clear blue skies and limitless possibilities. As it happens, this year marks the fiftieth anniversary of my own graduation from the University of Tennessee, in the State next door.

In those years, I suffered defeat and frustration in generous measure before success began to smile on me. The world in which I lived experienced economic depression, a world war, a Cold War, racial hatred and violence, terrorism and all manner of evils on its way to the prosperity, peach and social progress that embrace you today.

In my lifetime, it has often seemed as though the devil really was let loose on the world, and our job was to chain him up again.

My point is this: hopeful as you are today, as full of promise and potential and learning and achievement as you are today, life has a way of mocking your hopes and frustrating your dreams. The secret to success in life is not giving up when this happens, as it inevitably will.

The great glory of the American people is not that we have prospered without challenge, but that we have prospered through challenge. That is your heritage, and this is the sturdy foundation on which you stand today.

You are promising young men and women who have made your parents, your siblings your friends, and even the faculty of this great university enormously proud of you.

An extraordinary new world beckons you, and a few ancient miseries still beg you for relief. You are like Mr. Jefferson's Crops of Discovery, a small intrepid band venturing into the unknown, as well prepared as you can be but with no reliable map to guide you through the undiscovered country that is the future.

Congratulations, and may you live of success, service, and grace.

God bless you all.

TRIBUTE TO THOMAS S. HOUGH

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to recognize the outstanding work of Thomas S. Hough and his son Thomas W. Hough of Carrollton, IL for their role as longtime pillars of their community. The father and son team have worked together for years to create both a prosperous present and future for Carrollton Bank and the community it serves. When asked about his favorite part of his job the father stated, ''The customers become your friends, that's one of the best things about the business.''

The father son team has always found time to be involved in the community. The father has served on the Carrollton Park Board, the Presbyterian church in Carrollton and the Thomas H. Boyd Memorial Hospital board, among others. The son is also actively involved with the community serving on the board for the District 1 Foundation which provides scholarships for local students as well as many other educational and civic groups. The residents of Carrollton and other communities throughout Illinois look forward to their continual dedication to community banking and the neighborhoods they serve.

HONORING BESHAR SAIDI ON HIS RETURN TO THE UNITED STATES

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Ms. STABENOW. Mr. Speaker, I rise today to offer a warm welcome home to Beshar Saidi, an American citizen returning to the United States after being held captive for over a year. His story has touched people across the country, and he has remained in the thoughts and prayers of all those who have had the pleasure of knowing him. I would like to recognize Mr. Saidi for his courage in the darkest of moments.

On June 25, 1999, Beshar Saidi finally was released. I wish him Godspeed as he reunites with his wife and newborn son and am thankful for the happy ending to this tragic situation.

DR. CAMILIO RICORDI AND DR. NORMA KENYON DISCOVER A POTENTIAL CURE FOR DIABETES

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, today I am honored to commend Dr. Camilo Ricordi and Dr. Norma Kenyon for their exceptional work in the field of medical research. Through ongoing study at the University of Miami, these two doctors have brought the medical world one step closer to finding a cure for diabetes.

Dr. Ricordi and Dr. Kenyon recently reported on the experiments which they have been conducting involving anti-CD154. This artificially made antibody has succeeded in curing monkeys from potentially fatal cases of diabetes. Such drugs will replace the more harmful and less successful versions which are presently being used. This will allow patients with the most dangerous forms of diabetes to lead a normal, healthy life without depending on needles and insulin.

It is only through their hard work and dedication to improving the lives of diabetics that Dr. Ricordi and Dr. Kenyon's have made such strides in finding a cure to a debilitating disease. The full report is expected to be published later this year in the Proceedings of the National Academy of Sciences.

I ask that my Congressional colleagues join me in congratulating the incredible achievement in medical research of Dr. Ricordi and Dr. Kenyon of the University of Miami.

IN RECOGNITION OF THE DEDICATION OF THE CARL MACKLEY APARTMENT COMPLEX

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BORSKI. Mr. Speaker, I rise today to recognize the official dedication of the Carl Mackley Apartments. I was proud to join the people of Philadelphia and AFL–CIO President John J. Sweeney to christen the development.

The Carl Mackley Apartments opened in 1935 and were developed by the Philadelphia based American Federation of Hosiery Workers. The development was the first to be funded by President Franklin D. Roosevelt's Public Works Administration, and was a unique example of union-sponsored housing. Despite its focus on providing low-rent housing, the complex had many amenities, including a nursery school, pool, bakery, candy shop, and barber and tailor. Its design fostered a community spirit and the residents contributed to the complex and each others lives.

After two decades of neglect the complex was suffering from decay and became a source of blight in the neighborhood. In 1998 Canus Corp. of Manayunk and Altman General Corp. of Glenside took over the buildings and did a gut renovation, completely rehabilitating the complex. Half of the apartments are government subsidized and the others are reserved for low-income families, they expect them to be fully occupied by the end of July.

Mr. Speaker, I would especially like to recognize the exceptional work of a member of my staff, Rosemary Farnon. As a former resident of the complex, Rosemary had a great interest in its revival. Through her role as President of the Juniata Park Civic Association, Rosemary worked with the developers and the community to facilitate dialog between the two parties. She made sure that the voices of local residents were heard, and that they were informed about the rehabilitation of the community and the opportunities that it would offer. I commend her hard work and dedication to the neighborhood, and I am proud to have her as a member of my staff.

The Carl Mackley Apartments are a great example of community spirit and cooperation. The change in the neighborhood has been dramatic, and it has provided a place to live for people that need temporary assistance as well as those working families who need affordable housing. After being placed on the National Register of Historical Places and undergoing a $20 million renovation, the buildings were dedicated on Monday. I was extremely proud to be a part of the dedication ceremony and look forward to seeing Carl Mackleys' precedent of community spirit continue on. I would also like to insert for the RECORD an article from the Philadelphia Inquirer regarding this historical landmark.

[From the Philadelphia Inquirer, June 25, 1999]

(By Julie Stoiber)

In January 1935, when the Carl Mackley Houses opened, thousands of people converged on Juniata Park to tour the new apartment complex.

The four handsome, low-rise buildings took up a full city block at M and Bristol Streets, and were separated by greens and walkways that lent a campus-like air.

Considering the amenities the Mackley apartments offered in Depression-era America, it was no wonder there was a waiting list. Residents of the 284 units could take a dip in the apartment's in-ground swimming pool and clean their clothes in rooftop laundries equipped with electric washers. ''From our point of view, it was an ideal situation,'' said William Rafsky, a resident from 1946 to 1954.

One other thing made it stand out: It was affordable.

Contrary to what its amenities would suggest, Carl Mackley was designed for the working-class. Its owner and developer was the American Federation of Hosiery Workers, a Philadelphia-based union that saw low-rent apartments as a way to help the many hosiery workers who were losing their jobs and homes.

This rare example of union-sponsored housing also had the distinction of being the first low-rent development funded by President Franklin D. Roosevelt's Public Works Administration. Six decades later, the Carl Mackley complex is again in the spotlight. After years of private ownership and neglect, the complex, which is on the National Register of Historic Places, has undergone a $20 million renovation and on Monday will be rededicated.

Again, a labor union is playing a major role. Again, the butterscotch-brick buildings will be home to those in need of affordable housing. And although the pool is gone and the airy laundries are sealed, the community building, the pool is gone and the airy laundries are sealed, the community building, where residents once gathered to watch movies, take classes and participate in the management of the complex, will again be a center of activity.

''This was exciting work, about as good as it gets,'' said Noel Eisenstat, head of the Philadelphia Redevelopment Authority, which has been helping to engineer the apartment's revival for more than five years—wresting the property from the owner through HUD foreclosure and then bankruptcy, selecting a private developer and courting the AFL–CIO's Housing Investment Trust, which loaned more than $26 million in union pension funds for construction and rent subsidies.

''The alternative was a sheriff's sale,'' Eisenstat said, ''where they sell it to a developer, but without the resources to develop it.''

The apartment building's place in history was a prime motivator for both Eisenstat and Stephen Coyle, head of the Housing Investment Trust, but there was another force at work: The once-esteemed complex—praised by the New Deal president himself—was, in its decayed state, dragging down the stable rowhouse neighborhood that had grown up around it.

''Every once in a while a project comes by that gives you that extra sense of purpose and meaning,'' Coyle said. ''Everyone wanted this to happen.''

''Of all the things we've done, this will stand out,'' he said. ''It rekindled people's interest in affordable housing. There's a lore about this project.''

It was in 1933 that John Edelman, secretary of the hosiery union, became interested in easing the housing crisis for union members.

''They were a very progressive group,'' said Rafsky, who was a union official before joining city government.

Edelman formed a core of supporters who shared his vision, including Oskar Stonorov and Alfred Kastner, two emigre architects with experience in designing European worker-style housing, and William Jeanes, a wealthy Quaker and well-known champion of low-cost housing who was the complex's first manager.

Philadelphia Mayor Hampton Moore branded the idea communistic and tried to block its construction. Edelman prevailed.

The buildings Stonorov and Kastner designed were early American examples of the sleek, unadorned International Style of architecture (the PSFS tower at 12th and Market Streets is another). The complex was called ''daringly contemporary'' and although it was not universally acclaimed, it was featured in The Architectural Record.

To add to the allure, the development was named for a local labor hero, Carl Mackley, a 22-year-old hosiery worker from Kensington who was shot to death by non-union workers during a strike in 1930 and whose funeral in McPherson Square, according to news reports, attracted 25,000 people.

The apartments were tiny, in part to foster community spirit by pushing people into the common areas. Rafsky remembers that in warm weather, people would drag their beach chairs out to the lawns. With a nursery school, library, grocery store, candy shop, bakery, barber and tailor on site, residents had many of life's necessities at hand.

A one-bedroom apartment rented for $22.50 a month. Hosiery workers lived in many of the units, but the complex was also open to others. In the late 1960s, with the hosiery union in decline, the Carl Mackley complex was sold.

It became the Greenway Court Apartments. A botched roofing job in the 1980s created a serious mildew problem in the complex. Occupancy declined, rents rose and the last owner's finances crashed.

Rosemary Farnon, a 20-year resident of Juniata Park and head of its civic association, remembers how distraught neighbors were as they watched the complex deteriorate through the '80s and early '90s.

Trash piled up on balconies, laundry was draped over railings, screens fell out and weren't replaced, there were bedsheets instead of curtains in some of the windows, and it seemed the police were always responding to disturbances there.

On several occasions, Farnon remembered, tenants blocked traffic to get the landlord's attention when their heat went off in winter.

''It was a grand place, and it really fell into deplorable condition,'' said Farnon, who lived in the complex in the late '70s and now owns a home in the neighborhood. ''The last straw was they had a boiler explosion there and things really seemed to move forward.''

In February 1998, neighbors watched with interest as the new owners—the Canus Corp of Manayunk and Altman General Corp. of Glenside—began the renovation, relocating tenants as one building was finished and another begun.

''We did what we call a gut-rehab,'' said Susan Rabinovitch, president of Canus. ''We knocked things down and made things bigger.''

The number of apartments was reduced from 284 to 184. The old units, Rabinovitch said, ''were functionally obsolete'' because of their small size and lack of closet space. ''In the '30s, people lived very differently.''

Three-bedroom apartments used to be 675 square feet. Now, the smallest apartment in the complex is 721 square feet, the largest 1,200 square feet.

''I lived in a three-bedroom that now is a one-bedroom,'' said Patricia Harris, a former resident of the complex and its manager for the last six years.

She recalled the old days: ''Forget closet space, forget even putting a bureau in your bedroom.''

Half the units in the complex are government-subsidized, and all of those are taken, Harris said. The rest are reserved for people of low to moderate income; a family of four, for example, can't have household income over $33,360.

''We're expecting to be fully occupied by the end of July,'' Harris said.

The change in the neighborhood is dramatic, said Farnon. ''You know how when you get dressed up you feel good? That's how I see the Mackley.''

On Monday, at the dedication, AFL–CIO President John J. Sweeney will speak, and the development will be officially christened Carl Mackley Apartments.

Once the complex is fully occupied, Farnon plans to go in and encourage residents to organize a community association.

A spirit of community, she said, is the best way to ensure that the bad part of the complex's intriguing history does not repeat itself.

IN TRIBUTE TO CHARLES W. GILCHRIST

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. WOLF. Mr. Speaker, I want to bring to our colleagues' attention a remarkable public servant who lost a heroic battle with cancer on June 24. Charles W. Gilchrist, a Democrat, served as the county executive in Montgomery County, MD, from 1978 to 1986.

I never knew Charlie Gilchrist, but I followed his career because just by chance, we happened to be on the same train to New York City after Election Day in 1978. He was celebrating that day his victory as the new Montgomery County executive. I was getting away for a few days with my wife after having lost the election to be the representative for Virginia's 10th Congressional District.

I never spoke to him on the train, but I saw his joy and followed his career from my vantage point across the river in Virginia. And what impressed me the most about this courageous politician is that in 1986 he walked away from elected office to a higher calling. There was no doubt this popular man would have been reelected and probably could have gone on to other elected positions. But when his second term ended, he announced he would leave and study for the priesthood.

And for the rest of his life cut short by cancer, he served God. He worked in the inner city Chicago helping recovering alcoholics and drug addicts. Most recently, he devoted his energy to working on public housing problems in central Baltimore.

I would like to share with our colleagues two articles from the June 26, 1999, edition of The Washington Post which give more insight into the life and work of this unique man.

[From The Washington Post, June 26, 1999]

THE MIRACLE OF CHARLIE GILCHRIST

A HUMBLE MAN, HE TURNED FROM POLITICS TO THE MINISTRY

(By Frank Ahrens)

In 1984, Charlie Gilchrist—halfway through his second term as Montgomery County executive and seemingly poised to run for governor—shocked everyone around him by announcing that he was training to become an Episcopal priest. Once ordained, he lived in the lost neighborhoods of Chicago and Baltimore, ministering to the wretched, walking streets that had no trees but plenty of guns and drugs. He was so happy in the Lord's service, he was sometimes described as ''beatific.''

Over the past 35 years, Gilchrist transformed himself from a tax lawyer into a politician, then from a politician into a priest. Over the past few months, he was trying to become a recovering cancer patient.

He didn't quite make it.

On Thursday night, at around 11, Gilchrist lay in a bed at Johns Hopkins Hospital in Baltimore and quietly exhaled one final time. He was 62. Phoebe, his wife of 37 years, was at his bedside, along with his sister, Janet.

No one was kidding himself—everyone knew Gilchrist was terminal when he was diagnosed with pancreatic cancer in February. He was so weak that doctors suggested hospice care for the dying cleric. Since then,

though, Gilchrist had responded well to weekly chemotherapy treatments, which bought him some time and comfort.

But last week, death accelerated toward Gilchrist with a shuddering velocity.

I last saw Gilchrist 10 days ago, when a Post photographer and I visited his new art studio, inside a sturdy brick building in a south Baltimore neighborhood called Pigtown. A dynamic St. Alban's high school art teacher had unlocked young Charlie's talent for painting. Now, he had rented this high-ceilinged, plank-floored space and was preparing to paint again. He hoped to render the children of Sandtown, the neighborhood where he and Phoebe had lived and ministered for the past three years.

We began to climb the stairs to Gilchrist's second-floor studio. Without saying so, we all wanted him to go first, so we could back him up. But he was having none of it.

He propped himself against the door jam and shooed us past. One foot was in the alley outside; the other was on the door sill, a good 12 inches higher.

''Go on, go on.'' he said, in a soft, weary voice. ''I can make it.''

We filed past—first me, then the photographer, then Phoebe; all of us reluctant to leave him.

''Charlie . . .'' his wife began.

He was getting impatient now.

''Go on!''

''Okay,'' Phoebe said, with a practiced combination of cheer and exasperation. ''Do what you want.''

Up we went. Toward the top of the dark stairs, I turned and looked down at Gilchrist, a silver-thin silhouette backlighted in a shadowy doorway. He was rocking back and forth, readying to vault himself up into the door. He was all angles and lines and fierce concentration.

I turned away, unable to watch, and kept climbing. I flashed back to a similar scene a couple of weeks earlier in the same stairwell.

Coming down the stairs that day, Gilchrist's left foot had overshot the last tread and lunged through empty space. The next two seconds were an agonizing eternity. Before anyone could reach for him, he was headed for the floor. The air rushed from Phoebe. Though he had not strength to stop himself, he contained the fall and landed on all fours.

''Damn!'' he cursed, under his breath.

''Oh, Charlie!'' Phoebe blurted.

''I'm all right,'' he said, still down.

I reached down to pull him up, putting one hand under each armpit. I felt: The corduroy of his tan jacket. And ribs. Nothing else. I lifted him as if he were a papier-mache man.

This time, though, he made it up the stairs without help. At first, he was probably proud that he'd made it by himself, then immediately furious that his life had been reduced to such tiny victories. This was a man who jogged during his lunch hour; who was personable and charming but exited lazy conversations that had no point. His whole life had been about ''do''; now, he could not.

One wall of the studio was filled with his artwork—ink drawings of street scenes in Chicago and Baltimore, charcoal sketches from a drawing class, an acrylic self-portrait of a sober-looking Charlie.

''You look so happy,'' Phoebe teased.

He smiled.

Their marriage was about quiet smiles. They had locked eyes across a Harvard Christmas party when Gilchrist was in law school. ''Who's that?'' he asked his buddies. On the other side of the room, she was asking the same thing. More than once, Phoebe was asked how she put up with all of Gilchrist's career changes, all the moves, the ever-declining income. When you get annoyed with someone, she said, you remember what brought you together in the first place.

Once, Gilchrist was as tall, sturdy and handsome as a Shaker highboy. Now, so thin, so frail. His glasses, even, too big for his face. Phoebe Gilchrist saw the desiccation, but she saw more. What was it, she was asked, that attracted you to Charlie? ''Well,'' she said, smiling. She looked across a cafe table at him and saw the face she saw four decades ago. ''You can look at him.''

When his friends looked at him, they saw this:

''A good man.'' That was the first thing everyone said about Gilchrist.

They also called him a private man who shunned publicity. I went with Gilchrist to his church in Sandtown and to the National Gallery. I watched them pump poison into a valve in his chest during a chemo treatment. Friends wondered why he was giving a reporter so much access during such a difficult time. So I asked him.

''I guess I just want people to know that 'cancer' doesn't mean the end of everything,'' he said, smiling. ''That you can still be productive.''

Gilchrist lived the last months of his life the way he lived most of the years before—by constantly questioning his own behavior. Sometimes, friends considered it self-flagellation.

''Charlie would always say, 'If they say I'm guilty, I must be guilty,' '' recalled Montgomery Circuit Court judge and longtime friend Paul McGuckian. ''He was always lashing himself on the back for something he had never done.''

More than a lot of people, Charlie understood damning hubris—the inability of humans to humble themselves before others and God. Through intelligence and will, Charlie had transformed himself many times. He had accepted that he would soon die. Any other thought would have been arrogant.

I prodded Gilchrist once. Why don't you shake your fist at God? Is this the thanks you get for turning your life over to Him?

Gilchrist refused to take the bait. If he was made at God, he would not tell.

He once said, ''I've never seen a miracle.'' He did not expect one for himself.

Instead, he simply shrugged his shoulders.

''People say to me, 'Why you?' '' Gilchrist said.

''I say, 'Why not me?' ''

[From the Washington Post, June 26, 1999]

MONTGOMERY PROTOTYPE CHARLES GILCHRIST DIES

COUNTY EXECUTIVE LEFT POLITICS FOR THE PRIESTHOOD

(By Claudia Levy)

Charles W. Gilchrist, 62, a popular Democrat who was county executive of Montgomery County for eight years and then left politics to administer to the urban poor as an Episcopal priest, died of pancreatic cancer June 24 at John Hopkins Hospital in Baltimore.

The former tax lawyer and Maryland state senator succeeded Republican James P. Gleason, who first held the post after Montgomery changed its style of governance in the early 1970s. But it was Gilchrist who came to be regarded by many as the model for top elected officials in the affluent county.

Gilchrist ''set the standard for good government'' in Montgomery's executive branch, said his friend and follow Democratic activist Lou D'Ovidio, a County Council aide.

In an administration that began in 1978 and ended in 1986, Gilchrist plowed money into social services such as programs for the mentally ill, a foreshadowing of his work in church. He also worked to build housing for the elderly poor and to unclog commuter roads.

At the same time, ''he was opposed to government growing out of control,'' D'Ovidio said. ''He was very, very careful to make sure that government was doing its job with only the resources it needed. . . . He was not your big government kind of guy.''

It was a period of significant growth in county population, and Gilchrist went head to head with an adversarial County Council over establishing controls over an annual budget that had grown to more than $1 billion.

One effect of his efforts to control spending was that key departments were not expanded. His successor, Democrat Sidney Kramer, had to find ways to pay for additions to the county payroll.

At his own inauguration, Kramer praised Gilchrist for his ''decency and humanity . . . strong leadership and competence,'' saying that he had headed one of the county's ''most effective and popular governments.''

The current county executive, Democrat Douglas M. Duncan, called Gilchrist a mentor and role model who had presided over ''a period of tremendous change and progress'' in the county. He credited Gilchrist with being ''largely responsible for having established Montgomery County as one of the top high-technology centers in the world.'' He said he had left ''an exceptional legacy of vision, service and caring.''

Gilchrist once said in an interview that he had liked the public service aspects of the county executive's job, but otherwise found it ''difficult, frustrating and often thankless.''

His first administration temporarily was bogged down in allegations that aides had breached county personnel rules. The accusations centered on their having pressed for the appointment of a candidate close to the county executive as deputy director of the county liquor department.

Gilchrist also was faulted for permitting a former Schenley liquor salesman who was working in the liquor control department to buy liquor from his old employer.

After an 18-month controversy, dubbed by the media as ''Liquorgate,'' Gilchrist was exonerated by an independent investigation. The affair came to be regarded largely as a tempest in a teapot. But at the time, it took its toll on Gilchrist, who briefly considered not seeking reelection.

He was easily returned to office for a second term, however, and began aggressively seeking more money for road and school construction.

Gilchrist had first come to office as a moratorium on land development was easing and growth was exploding. Tax-cutting fervor was gripping neighboring Prince George's County, and an initiative called TRIM threatened to do the same in Gilchrist's county.

Gilchrist tightened his reins on the government, firing several Gleason appointees and establishing the first county office of management and budget.

He used the increased tax revenue that was the product of the county's explosive growth to help encourage high-tech research firms to flock to Montgomery.

He got the state to increase its reimbursement to the county for public building projects. He expanded his office's influence over crucial development decisions, through state legislation granting the executive the right to appoint two of the five members of the independent county planning board. The county council previously had appointed all of the board's members.

The measure Gilchrist sponsored and the legislature passed also gave the county executive veto power over mast plans, the basic planning tool used to map growth.

During his tenure, the annual budget for family resources more than doubled, to about $14 million. Programs were established for child care, and the number of shelter beds for the homeless increased dramatically.

Gilchrist's family resources director, Charles L. Short, said in an interview that the county executive's first order to him was to ''keep people from freezing and starving . . . and he never wavered.

''When we were sued or took heat over a shelter, he never called me in and said, 'Well, can we find another site?' ''

Short said Gilchrist's administration was distinguished by his strong feeling that all people should have an opportunity to share in the affluence of Montgomery, one of the country's wealthiest counties.

When he left office at age 50, Gilchrist had endowed the county executive job with unprecedented political powers. He left a multimillion-dollar legacy of social services and public works projects.

The man he had defeated for the job in 1978, Republican Richmond M. Keeney, said Gilchrist had operated as a lightning rod for the county.

Gilchrist said in an interview with Washington Post staff writer R.H. Melton that he had accomplished nearly all that he had hoped for.

Melton wrote, ''In many ways, Gilchrist's eight-year odyssey from his time as an insecure, even fumbling first-term executive to his recent ascension as Montgomery's leading Democratic power broker is as much a story of the county's profound changes as it is about the maturing of the man.''

Considered a shoo-in for re-election in 1986, Gilchrist was expected to dominate county politics for decades. He was being touted for Congress or state office when he suddenly announced in 1984 that he planned to abandon politics.

He said that when his second term was up in 1986, he would study for the priesthood.

His years at the helm of the county had taken their toll, he said. Relationships with the seven members of the County Council were frequently adversarial, so much so that both branches of government hired lobbyists to advocate before the state legislature.

''One of the clues to Charlie's personality is that he takes any criticism of the government personally,'' council member and Gilchrist antagonist Esther P. Gelman said at the time.

More distressing than his relationship with the council, however, was the illness of his son Donald, who spent two years battling a brain tumor. After he recovered, Gilchrist said the illness had helped him turn in a more spiritual direction.

He wasn't rejecting the political scene, he added,but substituting one form of public service for another.

Charles Waters Gilchrist, the grandson of a Baptists minister, was tall and craggy, and his biographers delighted in describing him as looking like a churchman out of Dickens.

He was raised in Washington, where he attended St. Albans School for Boys and became involved in religious activities. After graduating magna cum laude from William College and receiving a law degree from Harvard University, he returned to the Washington-Baltimore area to practice tax law. He soon became involved in Democratic politics.

In the mid-1970s, he resigned as partner of a medium-sized law firm in Washington to run successfully for the state Senate.

After Gilchrist left politics, his wife, Phoebe, took a full-time job as a corporate librarian to help put him through Virginia Theological Seminary in Alexandria.

His first church assignment was at St. Margaret's Episcopal Church in Washington, where he worked with homeless people in the Hispanic community and helped immigrants deal with the government. He also helped raise money for St. Luke's House Inc., a mental health facility in Montgomery County that he had assisted as county executive.

His story, of a shift in career to a relatively low-paying profession, fascinated the media, and he was often interviewed about the change in his life.

In 1990, he told an interviewer: ''People who have known me will see the collar and that says something to them, that I am a servant of God. They may not understand why I did it, but the fact is, I did.

''It's a very full life, I am happy and I have no regrets. I am very much doing what I should be doing, and what I want to be doing.''

He and his wife sold their large Victorian home of 25 years in Rockville and moved to a grimy neighborhood on the West Side of Chicago, where he took over as manager of the Cathedral Shelter for recovering drug addicts and alcoholics.

The religious committee that picked Gilchrist regarded him as having the potential to be a bishop or head of a large parish, one member told a Chicago newspaper at the time. But Gilchrist said he was more interested in curing inner city ills.

He returned to the Washington-Baltimore region in the mid-1990s to work on housing problems in the Sandtown neighborhood of central Baltimore, where he resettled. He had lived in that city early in his law career while working for the firm of Venable, Baetjer and Howard.

He was director of operations for New Song ministry, which runs a Habitat for Humanity housing rehabilitation program and a church, school, health center and children's choir.

In 1997, Gilchrist was named to oversee a court settlement designed to move more than 2,000 black Baltimore public housing residents to mostly white, middle-class neighborhoods. U.S. District Judge Marvin J. Garbis appointed him a special master in the suit brought by the American Civil Liberties Union of Maryland against Baltimore and the U.S. Department of Housing and Urban Development.

In addition to his wife, of Baltimore, Gilchrist is survived by three children, Donald Gilchrist of Rockville, James Gilchrist of Pinos Altos, N.M.; a sister, Janet Dickey of Reston; and two grandchildren.

TRIBUTE TO JOE SANDOVAL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BERMAN. Mr. Speaker, I rise to pay tribute to my dear friend, Joe Sandoval, who is leaving the city of San Fernando after 11 years to start a new business venture with his family in New Mexico. While I wish the very best for Joe, his wife, Anni, and their young son, Steven, his departure is a huge loss for the Northeast San Fernando Valley. As President of the San Fernando Chamber of Commerce, a successful businessman and outstanding leader, Joe has left an indelible mark on the community. He will be sorely missed.

In 1988, Joe arrived in San Fernando and went to work as Branch Manager for the Hanford Group. Since then, he has held many important positions, including Director of Marketing at Mission Community Hospital in Panorama City, Community Relations Liaison for Medi-Ride, and President and Chief Executive Officer for the San Fernando Chamber of Commerce.

In his 15-month tenure as Chamber President, Joe compiled a very impressive list of accomplishments. He has helped make the San Fernando Chamber of Commerce one of the most important business organizations in the Northeast San Fernando Valley. His considerable charm and business acumen enabled Joe to increase the membership of the Chamber and give it a visibility well beyond the city limits.

Joe has given unstintingly of his time and resources to the City of San Fernando, not only as Chamber President, but also as Chairperson of the Miss San Fernando Pageant, First Vice President of the Kiwanis Club of San Fernando, Vice President of the Holy Cross Medical Center Century Club and a member of the board of Directors of the San Fernando Police Advisory Council.

His distinguished service has been recognized by the presentation of many awards from the City of San Fernando, United Chambers of Commerce and the Sunland-Tujunga Chamber of Commerce. Joe was named the J. Leo Flynn citizen of the Year in San Fernando for 1991, and Business Person of the Year by the San Fernando High School Business Academy.

I ask my colleagues to help me bid a very fond farewell to Joe Sandoval, whose personality, intellect and integrity have made him much beloved by his many friends in California. I wish Joe and his family the best in their new home.

CHILD CUSTODY PROTECTION ACT

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Mr. PAUL. Mr. Speaker, in the name of a truly laudable cause (preventing abortions and protecting parental rights), today the Congress could potentially move our nation one step closer to a national police state by further expanding the list of federal crimes and usurping power from the states to adequately address the issue of parental rights and family law. Of course, it is much easier to ride the current wave of criminally federalizing all human malfeasance in the name of saving the world from some evil than to uphold a Constitutional oath

which prescribes a procedural structure by which the nation is protected from what is perhaps the worst evil, totalitarianism carried out by a centralized government. Who, after all, wants to be amongst those members of Congress who are portrayed as trampling parental rights or supporting the transportation of minor females across state lines for ignoble purposes.

As an obstetrician of more than thirty years, I have personally delivered more than 4,000 children. During such time, I have not performed a single abortion. On the contrary, I have spoken and written extensively and publicly condemning this ''medical'' procedure. At the same time, I have remained committed to upholding the Constitutional procedural protections which leave the police power decentralized and in control of the states. In the name of protecting states' rights, this bill usurps states' rights by creating yet another federal crime.

Our federal government is, constitutionally, a government of limited powers. Article one, Section eight, enumerates the legislative areas for which the U.S. Congress is allowed to act or enact legislation. For every other issue, the federal government lacks any authority or consent of the governed and only the state governments, their designees, or the people in their private market actions enjoy such rights to governance. The tenth amendment is brutally clear in stating ''The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.'' Our nation's history makes clear that the U.S. Constitution is a document intended to limit the power of central government. No serious reading of historical events surrounding the creation of the Constitution could reasonably portray it differently.

Nevertheless, rather than abide by our constitutional limits, Congress today will likely pass H.R. 1218. H.R. 1218 amends title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions. Should parents be involved in decisions regarding the health of their children?? Absolutely. Should the law respect parents rights to not have their children taken across state lines for contemptible purposes?? Absolutely. Can a state pass an enforceable statute to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions?? Absolutely. But when asked if there exists constitutional authority for the federal criminalizing of just such an action the answer is absolutely not.

This federalizing may have the effect of nationalizing a law with criminal penalties which may be less than those desired by some states. To the extent the federal and state laws could co-exist, the necessity for a federal law is undermined and an important bill of rights protection is virtually obliterated. Concurrent jurisdiction crimes erode the right of citizens to be free of double jeopardy. The fifth amendment to the U.S. Constitution specifies that no ''person be subject for the same offense to be twice put in jeopardy of life or limb . . .'' In other words, no person shall be tried twice for the same offense. However, in United States v. Lanza, the high court in 1922 sustained a ruling that being tried by both the federal government and a state government for the same offense did not offend the doctrine of double jeopardy. One danger of the unconstitutionally expanding the federal criminal justice code is that it seriously increases the danger that one will be subject to being tried twice for the same offense. Despite the various pleas for federal correction of societal wrongs, a national police force is neither prudent nor constitutional.

Most recently, we have been reminded by both Chief Justice William H. Rehnquist and former U.S. Attorney General Ed Meese that more federal crimes, while they make politicians feel good, are neither constitutionally sound nor prudent. Rehnquist stated in his year-end report ''The trend to federalize crimes that traditionally have been handled in state courts . . . threatens to change entirely the nature of our federal system.'' Meese stated that Congress' tendency in recent decades to make federal crimes out of offenses that have historically been state matters has dangerous implications both for the fair administration of justice and for the principle that states are something more than mere administrative districts of a nation governed mainly from Washington.

The argument which springs from the criticism of a federalized criminal code and a federal police force is that states may be less effective than a centralized federal government in dealing with those who leave one state jurisdiction for another. Fortunately, the Constitution provides for the procedural means for preserving the integrity of state sovereignty over those issues delegated to it via the tenth amendment. The privilege and immunities clause as well as full faith and credit clause allow states to exact judgments from those who violate their state laws. The Constitution even allows the federal government to legislatively preserve the procedural mechanisms which allow states to enforce their substantive laws without the federal government imposing its substantive edicts on the states. Article IV, Section 2, Clause 2 makes provision for the rendition of fugitives from one state to another. While not self-enacting, in 1783 Congress passed an act which did exactly this. There is, of course, a cost imposed upon states in working with one another rather than relying on a national, unified police force. At the same time, there is a greater cost to centralization of police power.

It is important to be reminded of the benefits of federalism as well as the costs. There are sound reasons to maintain a system of smaller, independent jurisdictions. An inadequate federal law, or an ''adequate'' federal law improperly interpreted by the Supreme Court, preempts states' rights to adequately address public health concerns. Roe v. Wade should serve as a sad reminder of the danger of making matters worse in all states by federalizing an issue.

It is my erstwhile hope that parents will become more involved in vigilantly monitoring the activities of their own children rather than shifting parental responsibility further upon the federal government. There was a time when a popular bumper sticker read ''It's ten o'clock; do you know where your children are?'' I suppose we have devolved to point where it reads ''It's ten o'clock; does the federal government know where your children are.'' Further socializing and burden-shifting of the responsibilities of parenthood upon the federal government is simply not creating the proper incentive for parents to be more involved.

For each of these reasons, among others, I must oppose the further and unconstitutional centralization of police powers in the national government and, accordingly, H.R. 1218.

TAIWAN'S ANNOUNCEMENT OF ASSISTANCE FOR THE KOSOVAR REFUGEES

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. PICKETT. Mr. Speaker, on Monday, June 7, 1999, President Lee Teng-hui of Taiwan made the following statement regarding assistance to Kosovar refugees:

''The huge numbers of Kosovar casualties and refugees from the Kosovo area resulting from the NATO-Yugoslavia conflict in the Balkans have captured close world-wide attention. From the very outset, the government of the ROC has been deeply concerned and we are carefully monitoring the situation's development.

''We in the Republic of China were pleased to learn last week that Yugoslavia President Slobodan Milosevic has accepted the peace plan for the Kosovo crisis proposed by the Group of Eight countries, for which specific peace agreements are being worked out.

''The Republic of China wholeheartedly looks forward to the dawning of peace on the Balkans. For more than two months, we have been concerned about the plight of the hundreds of thousands of Kosovar refugees who were forced to flee to other countries, particularly from the vantage point of our emphasis on protecting human rights. We thereby organized a Republic of China aid mission to Kosovo. Carrying essential relief items, the mission made a special trip to the refugee camps in Macedonia to lend a helping hand.

''Today, as we anticipate a critical moment of forth-coming peace, I hereby make the following statement to the international community on behalf of all the nationals of the Republic of China:

''As a member of world community committed to protecting and promoting human rights, the Republic of China would like to develop further the spirit of humanitarian concern for the Kosovar refugees living in exile as well as for the war-torn areas in dire need of reconstruction. We will provide a grant aid equivalent to about US $300 million. The aid will consist of the following:

1. Emergency support for food, shelters, medical care, and education, etc. for the Kosovar refugees, living in exile in neighboring countries.

2. Short-term accommodations for some of the refugees in Taiwan, with opportunities of job training in order for them to be better equipped for the restoration of their homeland upon their return.

3. Furthermore, support the rehabilitation of the Kosovo area in coordination with international long-term recovery programs when the peace plan is implemented.

"We earnestly hope that the above-mentioned aid will contribute to the promotion of the peace plan for Kosovo. I wish all the refugees an early return to their safe and peaceful Kosovo homes."

This important announcement demonstrates the dedication of democratic Taiwan to the promotion of peace in the Balkan region and to the return of the Kosovo refugees. I am pleased that Taiwan has chosen to assume such an active and praiseworthy role in issues of concern to the international community.

CONSTITUTIONAL AMENDMENT AUTHORIZING CONGRESS TO PROHIBIT THE PHYSICAL DESECRATION OF THE FLAG OF THE UNITED STATES OF AMERICA

SPEECH OF

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. BISHOP. Mr. Speaker, to an overwhelming majority of the American people, the flag has almost a sacred meaning that words cannot adequately define—something that stands for the country's most fundamental principles of justice and opportunity and for the millions of men and women who have made freedom possible by defending these principles.

Opponents of our amendment believe flag desecration should be allowed as a right of free expression. While I understand their position, I strongly disagree with it.

Preventing someone from burning and multilating the flag in public does not diminish the values on which the country is founded, including free expression. Instead, by protecting the flag, I believe we uphold these values, we honor them, we strengthen them.

Throughout history, in fact, our country has recognized certain limitations on freedom of expression, including libel and slander laws, laws protecting the nation's security, and laws to keep tax returns confidential. Until 1990, when the Supreme Court issued its ruling in a close 5–4 vote, anti-flag descration laws were considered a legitimate exception by the court.

By passing this amendment, we can restore the historic respect that we pay to the country's ideals and to the service and sacrifice that it has taken to keep them secure.

WARTIME VIOLATION OF ITALIAN AMERICAN CIVIL LIBERTIES ACT

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. ENGEL. Mr. Speaker, I rise today with my colleague from New York, Congressman LAZIO, to introduce the Wartime Violation of Italian American Civil Liberties Act. This legislation brings to light a tragic episode in our nation's history when Italian Americans were considered enemy aliens. The civil liberty abuses that Italian Americans suffered during this time period are not well documented and are not well known, but they did occur and the truth about this story, Una Storia Segreta—the Secret Story, must be told.

December 7, 1941 is a date that is very well known, it is the day that the Japanese bombed Pearl Harbor. What is not so well known is that on that day Italian Americans became enemy aliens. FBI agents, military personnel, and local police began rounding up Italians labeled subversive and dangerous. Ironically, some of those labeled dangerous aliens had fought alongside the United States Armed Forces during World War I. Even more ironic is the fact that many Italians deemed enemy aliens had sons in the United States Armed Services fighting to protect the freedoms that were being taken away from their parents. Such is the case with Joe Ardent. Joe entered the service and did not know until he returned home that his father had been restricted, fired from his job, and considered an enemy alien.

Mr. Speaker, during World War II, 600,000 Italian Americans were classified as enemy aliens, more than 10,000 were forcibly evicted from their homes, 52,000 were subject to strict curfew regulations and hundreds were shipped to internment camps without due process. These civil liberty abuses stretched from coast to coast as California fishermen had their fishing boats confiscated and were either interned or forced to relocate, while on the east coast, Ellis Island, the world renowned symbol of freedom and democracy, became a detention center for enemy aliens. No Italian was exempt from these injustices. Ezio Pinza, the star of "South Pacific" and the singer of the signature hit "Some Enchanted Evening" was detained at Ellis Island. Pinza was accused of altering the tempo of his voice in order to send messages to the Italian government. Although these charges were clearly ludicrous, it took several high powered attorneys and two hearings to prevent him from being interned.

We must ensure that these terrible events will never be perpetrated again. We must safeguard the individual rights of all Americans from arbitrary persecution or no American will ever be secure. The least our government can do is try to right this terrible wrong by acknowledging the fact that these events did occur. To that end, this legislation calls on the Department of Justice to prepare a comprehensive report detailing the government's unjust policies and practices during this time period. Included in the report will be an examination of ways in which civil liberties can be safeguarded during times of national emergencies. This report is essential in order to ensure that our history is well documented as those who do not learn from history are doomed to repeat it.

Mr. Speaker, this legislation also calls on the President, on behalf of the United States government, to formally acknowledge our government's systematic denial of basic human rights and freedoms to one of the largest ethnic communities in the United States. As we begin our Fourth of July recess, let us take this opportunity to reflect upon the debt we owe the Italian American community and ensure that the American public recognizes these injustices of the past in order to prevent them in the future. Sixty two of my colleagues have joined me in cosponsoring this bill, and I ask you Mr. Speaker, and the rest of my colleagues to support this important legislation.

INTRODUCTION OF THE ARCTIC TUNDRA HABITAT CONSERVATION ACT

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SAXTON. Mr. Speaker, I am pleased to introduce the Arctic Tundra Habitat Emergency Conservation Act. This legislation will address the devastating impact that an exploding population of light geese is having on the fragile Canadian Arctic tundra.

The U.S. Fish and Wildlife Service has been monitoring light geese populations for over 50 years. During that time, the population that migrates in the Mid-Continent region has increased from 800,000 birds in 1969 to more than 5 million geese today. This population is projected to increase more than five percent each year and, in the absence of new wildlife management actions, there will be more than 6.8 million breeding light geese in three years.

While these geese are fully protected under the Migratory Bird Treaty Act of 1918, this unprecedented population explosion is creating serious problems. The geese's appetite for Arctic coastal tundra has created a strip of desert stretching 2,000 miles in Canada. These birds are world-class foragers, and their favorite foods are found in the 135,000 acres that comprise the Hudson Bay Lowland Salt Marsh ecosystem. In fact, they like this vegetation so much they are eating it much faster than its ability to regrow. These geese are literally eating themselves out of house and home and, in the process, destroying thousands of acres of essential, irreplaceable nesting habitat. These wetlands are critical to the survival of not only light geese but hundreds of other migratory species including brants, black ducks, mallards, and dozens of songbirds.

According to various scientists, one-third of the lowlands habitat has been destroyed, one-third is on the brink of devastation, and the remaining one-third is overgrazed.

In response to this growing crisis, representatives from the U.S. Fish and Wildlife Service, Canadian Wildlife Service, various State fish and game agencies, and nongovernmental organizations including Ducks Unlimited and the National Audubon Society formed the Arctic Goose Habitat Working Group. This ad hoc group met over a period of many months, and the results of their deliberations were incorporated within a report entitled "Arctic Ecosystem in Peril". While this report issued in 1997 contained a number of recommendations, its clear conclusion was that the population of light geese must be immediately reduced by at least 5 to 15 percent each year. This report stated: "This habitat damage is increasing in extent and will not be corrected or

reversed by any known natural phenomenon. We cannot forecast how long it will be before most of the finite supply of habitat that is available for nesting by tundra and coastal-breeding birds will be permanently degraded or destroyed.''

On November 9, 1998, the U.S. Fish and Wildlife Service issued two proposed rules to reduce the ever-expanding population of light geese. These rules did not embrace all of the recommendations of the Arctic Goose Habitat Working Group. In fact, they were a modest effort to increase the harvest of light geese by authorizing the use of electronic goose calls, unplugged shotguns, and allowing certain States to authorize hunting outside of the traditional hunting season which normally runs from September 1st to March 10th. At the time, the Director of the U.S. Fish and Wildlife Service stated ''Too many light geese are descending each year on nesting areas that simply cannot support them all. If we do not take steps now, these fragile ecosystems will continue to deteriorate to the point that they can no longer support light geese or the many other species of wildlife that share this Arctic habitat. The steps proposed by the U.S. Fish and Wildlife Service are strongly supported by the Canadian Wildlife Service.''

After issuing these proposed regulations, the Service received over 1,100 comments from diverse interests representing State wildlife agencies, Flyway Councils, private and native organizations, and private citizens. A majority of the comments strongly supported the proposed actions by the U.S. Fish and Wildlife Service, which has conducted a thorough environmental assessment of the various regulatory options to reduce the population.

On April 15, 1999, the Subcommittee on Fisheries Conservation, Wildlife and Oceans, which I chair, conducted its second oversight hearing on Mid-Continent light geese. At that hearing, the U.S. Fish and Wildlife Service testified that ''virtually every credible wildlife biologist in both countries, believes that the Mid-Continent light geese populations has exceeded the carrying capacity of its breeding habitat and that the population must be reduced to avoid long-term damage to an ecosystem important to many other wildlife species in addition to snow geese.''

In addition, a representative of the National Audubon Society testified that ''these burgeoning numbers of Mid-Continent lesser snow geese have caused widespread and potentially irreversible devastation to two-thirds of the habitat that otherwise would be mostly pristine tundra west of Hudson Bay in Canada. If we do not act, nature will not 'take its course' in the short time needed to halt devastation of the tundra.''

Finally, the Chairman of the Arctic Goose Habitat Working Group, who is also the Chief Biologist of Ducks Unlimited, stated that ''the finite amount of suitable goose breeding habitat is rapidly being consumed and eventually will be lost. Every technical, administrative, legal and political delay just adds to the problem. There is real urgency here as we may not be far from the point where the only choice is to record the aftermath of the crash of goose numbers with the related ecosystem destruction with all the other species that live there with the geese.''

At the same hearing, the Humane Society of the United States argued that a ''do nothing'' approach to the management of light geese was the preferred option. While the easy answer might be to let nature run its course, after all some have argued this is a Canadian problem, to sit idly by and allow this environmental catastrophe to continue to occur is simply irresponsible. Furthermore, man created this problem by providing these geese with an almost endless supply of food. In Arkansas, Louisiana, and Texas alone, there are more than 2.25 million acres of rice farms that have become a buffet bar for these birds. As a nation, we have also created dozens of National Wildlife Refuges that have become sanctuaries for these birds. As a result, these geese are living longer, are healthier, and are reproducing at an alarming rate. We have already altered the course of nature and that is why the U.S. Fish and Wildlife Service, the Canadian Wildlife Service, the International Association of Fish and Wildlife Agencies, the Flyway Councils, and almost every well-known wildlife biologist has flatly rejected to ''do nothing'' approach. It is wrong and it will cause irreparable harm to the Arctic tundra habitat.

I want to personally commend the Director of the U.S. Fish and Wildlife Service, Ms. Jamie Clark, for her tireless leadership and courage on this difficult issue. The Service went to extraordinary lengths to carefully evaluate each of the various management options, obtain the views of each of the affected stakeholders, and to do what was best for the species and its habitat. The regulations it issued were a responsible step in the right direction and they were fully consistent with the recommendation of the Arctic Goose Habitat Working Group.

Sadly, in response to a legal challenge filed in U.S. District Court by the Humane Society of the United States, the U.S. Fish and Wildlife Service withdrew these two regulations on June 17th. While the judge did not rule on the merits of the regulations, the Service was instructed to complete an environmental impact statement. This process will take between 12 and 18 months to complete and during that time, the tundra will continue to be systematically destroyed an acre at a time. This is an unacceptable situation.

Since I refuse to simply do nothing, I am today introducing the Arctic Tundra Habitat Emergency Conservation Act. This is a simple bill. It will legislatively enact the two regulations, already carefully evaluated and approved by the U.S. Fish and Wildlife Service. What this means is that States would have the flexibility to allow the use of normally prohibited electronic goose calls and unplugged shotguns during the regular hunting season provided that other waterfowl and crane seasons have been closed. In addition, the 24 affected States are given the authority to implement conservation orders under the Migratory Bird Treaty Act that would allow hunters to take Mid-Continent light geese outside of the traditional hunting framework. Both of these rules will give States a better opportunity to increase their light goose harvest.

My bill legislatively enacts these regulations in their identical form. In addition, the bill sunsets when the Service has completed both its environmental impact statement and a new regulatory rule on Mid-Continent light geese. This rule could be the same of different from those originally proposed in November of last year. My bill is an interim solution to a very serious and growing environmental problem.

As Director Clark so eloquently state, ''For years, the United States has inadvertently contributed to the growth of this problem through changes in agricultural and wetland management. Now we can begin to say we are part of the solution. If we do not take action, we risk not only the health of the Arctic breeding grounds but also the future of many of America's migratory bird populations.''

I wholeheartedly agree with that statement and urge my colleagues to join with me in trying to stop this environmental catastrophe by supporting the Arctic Tundra Habitat Emergency Conservation Act.

I am pleased that a number of our distinguished colleagues, including DON YOUNG, JOHN DINGELL, SAXBY CHAMBLISS, COLLIN PETERSON, CHIP PICKERING, DUNCAN HUNTER, DUKE CUNNINGHAM, and JOHN TANNER have agreed to join with me in this effort.

VA/DOD LEGISLATION INTRODUCED: USING ACCURACY TO ADJUST THE GEOGRAPHIC INEQUITY IN THE AAPCC

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. McDERMOTT. Mr. Speaker, today I am introducing legislation to use accuracy as one way to address the geographic inequity of Medicare's adjusted average per capita cost (AAPCC) rate by ensuring that Medicare-eligible veterans are calculated in AAPCC updates.

Until BBA 97, AAPCC rates were determined based on five year's worth of historical per-capita Medicare fee-for-service spending. Medicare AAPCC rates also included provisions for medical education payments and Medicare disproportionate share payments.

BBA 97 de-linked AAPCC updates from local FFS spending and set a minimum 1998 AAPCC ''floor'' rate of $367. It also made a number of changes to guarantee minimum annual rate increases of 2%. BAA 97 also carved out the medical education component from the AAPCC over 5 years. Unfortunately, these changes do not address the fundamental inequity in the AAPCC calculations that Washington faces.

The trouble with the AAPCC methodology is that it punishes cost-efficient communities with low AAPCC increases while higher-priced inefficient markets receive increases well above average. In 1997, WA state health plans had an average payment rate increase of 3.8% while the national per capita cost rate increase was 5.9% Counties in other state across the nation had increases as high as 8.9%.

Currently every Washington State County AAPCC is below the national average.

USE ACCURACY AS A PARTIAL FIX

A simplified explanation of the new AAPCC calculation is that all fee-for-service costs in a given county are divided by all Medicare beneficiaries in that county to derive the payment rate.

Medicare beneficiaries who are eligible for both Medicare and military Medicare coverage sometimes receive care at military (VA & DoD) facilities. With the creation Medicare Subvention Demonstration sights, this will occur more often.

The computation of the AAPCC includes all Medicare beneficiaries in the denominator. However, since the facilities providing care to military eligible beneficiaries do not report Medicare costs to HCFA, the numerator of the AAPCC excludes any costs Medicare beneficiaries received in these facilities. This results in an understatement of the AAPCC wherever there are military health care facilities. States or counties with a significant military medical presence receive disproportionately low rates due to this methodology lapse.

While the national average military AAPCC understatement is 3%, in King County it is 4.3% and Pierce County it's 22.6%.

My legislation will revise the methodology to include both the Medicare beneficiaries and the costs for all their Medicare services—including those received in fee-for-service and at military facilities—in the AAPCC calculations.

Using accuracy as a means to boost AAPCC rates is both a policy-justified and a politically defensible way to begin addressing the geographic inequity in the Medicare system.

TRIBUTE TO LINDA MITCHELL

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BECERRA. Mr. Speaker, I rise today to pay a heartfelt tribute to Linda Mitchell, a dear friend and tireless fighter for justice and equality. Linda died Tuesday, June 22, 1999 at her home in Pasadena, California. She was 52.

Linda Mitchell was born and raised in the State of Ohio. The third of five children, she received her Bachelor of Science Degree in Home Economics from Ohio State University. After completing her education, she moved to California, first living in San Diego and then in Los Angeles.

Linda was an individual with deep compassion and conviction. She used every bit of her energy and time to fight for the rights of all people, regardless of race, creed, or economic circumstances. She was respected and admired for her work on behalf of those less fortunate, in particular immigrants to the United States of America.

She always employed her expertise in public relations and communications to champion the causes of others. Linda chose her avenues of involvement carefully, working for many of the nation's most worthy organizations, including the Mexican American Legal Defense and Education Fund, United Way of Greater Los Angeles, Coalition for Humane Immigrant Rights of Los Angeles, Dolores Mission Women's Cooperative, and the International Institute. In her quest for justice, she served as a Board Member for the American Civil Liberties Union. Understanding the importance of the press in this country, she was a member of Fairness and Accuracy in Reporting.

Though small in size, Linda Mitchell was big of heart. When she walked into a room, you might not see her right away, but you could feel her presence because she exuded warmth and love for her fellow human being. She helped set up parenting classes for refugees from the former Soviet Union and a support center for Alzheimer's disease victims and their families.

With health a constant challenge, Linda never let physical limitations prevent her from doing anything. She traveled beyond her hemisphere to Europe and to China. She wanted to learn as much as possible about the world so she could change it.

I have never met a person more grounded on the value of human dignity nor more dedicated to promoting its survival. Linda always had a way of extracting that extra effort from me to maximize my service to the public. She has been a partner in work, a counsel in policy and a model in ethics.

Linda is remembered by friends and colleagues for her selflessness, generosity, and integrity—a woman who was dedicated to the pursuit of justice and equality. She is also remembered for her love of children, her wonderful cats, and her scrumptious desserts.

A Memorial Service will be held on Thursday, July 1, 1999 at 3:00 p.m. at the Throop Unitarian Universalist Church in Pasadena, California. There will also be a Memorial Service in Marion, Ohio where Linda will be buried on July 10, 1999.

Linda is survived by her father and mother, Ted and Elaine Mitchell; two sisters Judy LaMusga and Karen Mitchell; one brother Alan Mitchell; two nieces Cindy and Katie Mitchell; and two nephews Rob and Michael Mitchell. Her brother Bob Mitchell is deceased.

Mr. Speaker, Linda Mitchell left us too soon, with so much to do and so much to teach. She epitomized all that is good about America. I feel deeply privileged to have known her. I will forever remember her fondly. It is with great pride, yet profound sorrow, that I ask my colleagues to join me today in saluting this exceptional human being.

INTEREST ALLOCATION REFORM ACT

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. PORTMAN. Mr. Speaker, on June 17, 1999, joined by Mr. MATSUI of California, I introduced H.R. 2270, a bill to correct a fundamental distortion in the U.S. tax law that results in double taxation of U.S. taxpayers that have operations abroad.

The United States taxes U.S. persons on their worldwide income, but allows a foreign tax credit against the U.S. tax on foreign-source income. The foreign tax credit limitation applies so that foreign tax credits may be used to offset only the U.S. tax on foreign-source income and not the U.S. tax on U.S.-source income. In order to compute the foreign tax credit limitation, the taxpayer must determine its taxable income from foreign sources. This determination requires the allocation of deductions between U.S.-source gross income and foreign-source gross income.

Special rules enacted as part of the Tax Reform Act of 1986 apply for purposes of the allocation of interest expense. These rules generally require that interest expense incurred by the U.S. members of an affiliated group of corporations must be allocated based on the aggregate of all the U.S. and foreign assets of the U.S. members of the group.

The interest allocation rules purport to reflect a principle of fungibility of money, with interest expense treated as attributable to all the activities and property of the U.S. members of a group regardless of the specific purpose for which the debt is incurred. However, the present-law rules enacted with the 1986 Act do not accurately reflect the fungibility principle because they apply fungibility only in one direction. Accordingly, the interest expense incurred by the U.S. members of an affiliated group is treated as funding all the activities and assets of such group, including the activities and assets of the foreign members of the group. However, in this calculation, the interest expense actually incurred by the foreign members of the group is ignored and thus is not recognized as funding either their own activities and assets or any of the activities and assets of other group members. This ''one-way-street'' approach to fungibility is a gross economic distortion.

By disregarding the interest expense of the foreign members of a group, the approach reflected in the present-law interest allocation rules causes a disproportionate amount of U.S. interest expense to be allocated to the foreign assets of the group. This over-allocation of U.S. interest expense to foreign assets has the effect of reducing the amount of the group's income that is treated as foreign-source income for U.S. tax purposes, which in turn reduces the group's foreign tax credit limitation. The present-law interest allocation rules thus prevent the group from fully utilizing its available foreign tax credits, and lead to double taxation of the foreign income earned by the U.S. multinational group.

This double taxation of the income that U.S. multinational corporations earn abroad is contrary to fundamental principles of international taxation and imposes on U.S. multinational corporations a significant cost that is not borne by their foreign competitors. The present-law interest allocation rules thus impose a burden on U.S.-based multinationals that hinders their ability to compete against their foreign counterparts. Indeed, the distortions caused by the interest allocation rules impose a substantial cost that affects the ability of U.S.-based multinationals to compete against their foreign counterparts both with respect to foreign operations and with respect to their operations in the United States.

H.R. 2270 will reform the interest allocation rules to eliminate the distortions caused by the present-law approach. The elimination of these distortions will reflect the fundamental tax policy goal of avoiding double taxation and will eliminate the competitive disadvantage at which the present-law interest allocation rules place U.S.-based multinationals. A detailed

technical explanation of the provisions of H.R. 2270 follows.

TECHNICAL EXPLANATION OF H.R. 2270

IN GENERAL

The bill would modify the present-law interest allocation rules of section 864(c) that were enacted by the Tax Reform Act of 1986. The bill embodies the provisions that were passed by the Senate in connection with the 1986 Act. Under the bill's modifications, interest expense generally would be allocated by applying the principle of fungibility to the taxpayer's worldwide affiliated group (rather than to just the U.S. affiliated group). In addition, under special rules, interest expense incurred by a lower-tier U.S. member of an affiliated group could be allocated by applying the principle of fungibility to the subgroup consisting of the borrower and its direct and indirect subsidiaries. The bill also allows members engaged in the active conduct of a financial services business to be treated as a separate group; this provision reflects an expansion of the present-law bank group rule to other financial services firms which is similar to the expansion that was proposed in the Foreign Income Tax Rationalization and Simplification bill introduced in 1992 by Representatives Rostenkowski and Gradison. Finally, the bill would provide specific regulatory authority for the direct allocation of interest expense in other circumstances where such tracing is appropriate.

Under the bill, a taxpayer would be able to make a one-time election to apply either the interest allocation rules currently contained in section 864(e) or the modified rules reflected in the bill. Such election would be required to the made for the taxpayer's first taxable year to which the bill is applicable and for which it is a member of an affiliated group, and could be revoked only with IRS consent. Such election, if made, would apply to all the members of the affiliated group.

The bill generally is not intended to modify the interpretive guidance contained in the regulations under the present-law interest allocation rules that is relevant to the rules reflected in the bill, and such guidance is intended to continue to be applicable.

WORLDWIDE FUNGIBILITY

Under the bill, the taxable income of an affiliated group from sources outside the United States generally would be determined by allocating and apportioning all interest expense of the worldwide affiliated group on a group-wide basis. For this purpose, the worldwide affiliated group would include not only the U.S. members of the affiliated group, but also the foreign corporations that would be eligible to be included in a consolidated return if they were not foreign. Both the interest expense and the assets of all members of the worldwide affiliated group would be taken into account for purposes of the allocation and apportionment of interest expense. Accordingly, interest expense incurred by a foreign subsidiary would be taken into account in determining the initial allocation and apportionment of interest expense to foreign-source income. The interest expense incurred by the foreign subsidiaries would not be deductible on the U.S. consolidated return. Accordingly, the amount of interest expense allocated to foreign-source income on the U.S. consolidated return would then be reduced (but not below zero) by the amount of interest expense incurred by the foreign members of the worldwide group, to the extent that such interest would be allocated to foreign sources if these rules were applied separately to a group consisting of just the foreign members of the worldwide affiliated group. As under the present-law rules for affiliated groups, debt between members of the worldwide affiliated group, and stockholdings in group members, would be eliminated for purposes of determining total interest expense of the worldwide affiliated group, computing asset ratios, and computing the reduction in the allocation to foreign-source income for interest expense incurred by a foreign member.

As under the present-law rules, taxpayers would be required to allocate and apportion interest expense on the basis of assets (rather than gross income). Because foreign members would be included in the worldwide affiliated group, the computation would take into account the assets of such foreign members (rather than the stock in such foreign members). For purposes of applying this asset method, as under the present-law rules, if members of the worldwide affiliated group hold at least 10 percent (by vote) of the stock of a corporation (U.S. or foreign) that is not a member of such group, the adjusted basis in such stock would be increased by the earnings and profits that are attributable to such stock and that are accumulated during the period that the members hold such stock. Similarly, the adjusted basis in such stock would be reduced by any deficit in earnings and profits that is attributable to such stock and that arose during such period. However, unlike under the present-law rules, these basis adjustment rules would not be applicable to the stock of the foreign members of the expanded affiliated group (because such members would be included in the group for interest allocation purposes).

Under the bill, interest expense would be allocated and apportioned based on the assets of the expanded affiliated group. For interest allocation purposes, the affiliated group would be determined under section 1504 but would include life insurance companies without regard to whether such companies are covered by an election under section 1504(c)(2) to include them in the affiliated group under section 1504. This definition of affiliated group would be the starting point for the expanded affiliated group. In addition, the expanded affiliated group would include section 936 companies (which are included in the group for interest allocation purposes under present law). The expanded affiliated group also would include foreign corporations that would be included in the affiliated group under section 1504 if they were domestic corporations; consistent with the present-law exclusion of DISCs from the affiliated groups, FSCs would not be included in the expanded affiliated group.

SUBGROUP ELECTION

The bill also provides a special method for the allocation and apportionment of interest expense with respect to certain debt incurred by members of an affiliated group below the top tier. Under this method, interest expense attributable to qualified debt incurred by a U.S. member of an affiliated group could be allocated and apportioned by looking just to the subgroup consisting of the borrower and its direct and indirect subsidiaries (including foreign subsidiaries). Debt would quality for this purpose if it is a borrowing from an unrelated person that is not guaranteed or otherwise directly supported by any other corporation within the worldwide affiliated group (other than another member of such subgroup). Debt that does not qualify because of such a guarantee (or other direct supply) would be treated as debt of the guarantor (or, if the guarantor is not in the same chain of corporations as the borrower, as debt of the common parent of the guarantor and the borrower). If this subgroup method is elected by any member of an affiliated group, it would be required to be applied to the interest expense attributable to all qualified debt of all U.S. members of the group.

When this subgroup method is used, certain transfers from one U.S. member of the affiliated group to another would be treated as reducing the amount of qualified debt. If a U.S. member with qualified debt makes dividend or other distributions in a taxable year to another member of the affiliated group that exceed the greater of its average annual dividend (as a percentage of current earnings and profits) during the five preceding years or 25 percent of its average annual earnings and profits for such period, an amount of its qualified debt equal to such excess would be recharacterized as non-qualified. A similar rule would apply to the extent that a U.S. member with qualified debt deals with a related party on a basis that is not arm's length. Interest attributable to any debt that is recharacterized as non-qualified would be allocated and apportioned by looking to the entire worldwide affiliated group (rather than to the subgroup).

If this subgroup method is used, an equalization rule would apply to the allocation and apportionment of interest expense of members of the affiliated group that is attributable to non-qualified debt. Such interest expense would be allocated and apportioned first to foreign sources to the extent necessary to achieve (to the extent possible) the allocation and apportionment that would have resulted had the subgroup method not been applied.

FINANCIAL SERVICES GROUP ELECTION

Under the bill, a modified and expanded version of the special bank group rule of present law would apply. Under this election, the allocation and apportionment of interest expense could be determined separately for the subgroup of the expanded affiliated group that consists solely of members that are predominantly engaged in the active conduct of a banking, insurance, financing or similar business. For this purpose, the determination of whether a member is predominantly so engaged would be made under rules similar to the rules of section 904(d)(2)(C) and the regulations thereunder (relating to the determination of income in the financial services basket for foreign tax credit purposes). Accordingly, a member would be considered to be predominantly engaged in the active conduct of a banking, insurance, financing, or similar business if at least 80 percent of its gross income is active financing income as described in Treas. Reg. sec. 1.904–4(e)(2). As under the subgroup rule, certain transfers of funds from a U.S. member of the financial services group to another member of the affiliated group that is not a member of the financial services group would reduce the interest expense that is allocated and apportioned based on the financial services group. Also as under the subgroup rule, if elected, this rule would apply to all members that are considered to be predominantly engaged in the active conduct of a banking, insurance, financing, or similar business.

EFFECTIVE DATE

The bill would be effective for taxable years ending after December 31, 1999.

IN MEMORY OF BETTY SUR GUERRERO

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. UNDERWOOD. Mr. Speaker, the island of Guam bids farewell to an esteemed resident. Betty Sur Guerrero, a colleague in the field of education and public administration, was called to her eternal rest last Monday, June 28, 1999.

The daughter of Chai Kuen and Bok Soo Sur, Betty was born in Honolulu, Hawaii, on June 25, 1926. Having graduated from St. Francis Convent High School in Hawaii, she went on to attend Graceland Junior College in Lamoni, Iowa—earning an A.A. Degree in 1946. Later, in 1948, the Iowa Teachers College in Cedar Falls, Iowa, awarded her a B.S. Degree in Social Sciences. In 1949, she was conferred an M.A. Degree in Social Sciences from the Colorado State College in Greely, Colorado.

Betty went on to become active in Guam's political, civic, and community affairs. Having married an island-resident, Joe Castro Guerrero, Betty moved to Guam in the 1950's. From 1951 to 1960, she worked as a teacher in the Guam public school system. Between 1954 and 1957, she also worked as a part-time instructor at the University of Guam. In 1960, prior to being hired as a budget and management analyst for the Government of Guam's Bureau of Budget and Management, she made a move from teaching to school administration. In 1968, she was named director of the Head Start program for the University of Guam and, in 1969, she became the assistant to the President of the University.

From 1969 to 1976, Betty administered the Comprehensive Health Planning Program while, at the same time, serving as Executive Director to the Territorial Planning Council. She worked as a consultant for the Guam Legislature's Committee on Territorial-Federal Affairs from 1977 until 1979, when she was named Director of the Bureau of Planning. She served under this capacity until 1983. In 1984, she resumed work with the Department of Education as an opportunity room teacher. She worked for this program designed to help troubled students until 1987.

Although she might have taken it slow after her Department of Education job, Betty never really retired. She kept herself occupied with a wide range of activities. She was always willing to impart and share her expertise, enthusiasm, and energies to deserving activities and projects. We have been blessed to have her choose to be part of our community. The legacy she leaves behind includes almost five decades of government and community service. She will be greatly missed by all of us on Guam.

On behalf of the people of Guam, I join her children, Leonard, Clarice, and Stephen, who, together with her grandchildren, Nicole, Ashley, Kathleen, Mason, and Stephen II, in celebrating her life and mourning the loss of a mother, a grandmother, and fellow educator. Adios, Betty.

CONSTITUTIONAL AMENDMENT AUTHORIZING CONGRESS TO PROHIBIT THE PHYSICAL DESECRATION OF THE FLAG OF THE UNITED STATES

SPEECH OF

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. HOYER. Mr. Speaker, I rise today in opposition to H.J. Res. 33, the proposed constitutional amendment to prohibit the physical desecration of our flag. And, in this respect, I take no pleasure in doing so: Like the vast majority of Americans, I too condemn those malcontents who would desecrate our flag—a universal symbol for democracy, freedom and liberty—to grab attention for themselves and inflame the passions of patriotic Americans.

Further, I fully appreciate and respect the motivations of those who offer and support this amendment, particularly the patriotic men and women who so faithfully served this Nation in our armed services and in other capacities. Their strong feelings on this issue should neither be questioned nor underestimated. They deserve our respect.

However, I respectfully disagree with them and will oppose this amendment for the reasons so eloquently articulated by Senator Mitch McConnell of Kentucky. In opposing a similar amendment a few years ago, Senator McConnell stated that it "rips the fabric of our Constitution at its very center: the First Amendment." He added, "Our respect and reverence for the flag should not provoke us to damage our Constitution, even in the name of patriotism."

Those of us who oppose this amendment do so not to countenance the actions of a few misfits, but because we believe the question before us today is how we—the United States of America—are to deal with individuals who dishonor our Nation in this manner.

I submit, Mr. Speaker, that a constitutional amendment is neither the appropriate nor best method for dealing with these malcontents. As the late Justice Brennan wrote for the Supreme Court in *Texas v. Johnson*: "The way to preserve the flag's special role is not to punish those who feel differently about these matters. It is to persuade them that they are wrong. . . . We can imagine no more appropriate response to burning a flag than waving one's own."

Furthermore, it troubles me that this amendment, if approved, would ensconce the vile actions of a few provocateurs into the very document that guarantees freedom of speech, freedom of religion, freedom of the press, freedom of assembly, and freedom to petition the government. That document, of course, is our Constitution.

In more than 200 years, our Constitution has been amended only 27 times, and nearly all of those amendments guarantee or expand rights, liberties and freedoms. Only one amendment—prohibition—constricted freedoms and soon was repealed.

I simply do not believe that our traditions, our values, our democratic principles—all embodied in our Constitution and the Bill of Rights—should be overridden to prohibit this particular manner of speech, even though I completely disagree with it.

Free speech is often a double-edged sword. However, if we value the freedoms that define us as Americans, we should refrain from amending the Constitution to limit those same freedoms to avoid being offended.

Finally, while even one act of flag burning is one too many, I do not believe that flag desecration is rampant in our Nation or so harms the Republic that nothing short of a constitutional amendment is needed.

I remind my colleagues that if we approve this amendment, we put our great Nation in the company of the oppressive regimes in China, Iran, and Cuba—all of whom have similar laws protecting their flags. Needless to say, when it comes to free speech, the United States of America is the world's leader. It does not follow China, Iran or Cuba.

Our flag is far more than a piece of cloth, a few stripes, 50 stars. Our flag is a universal symbol for freedom, liberty, human rights and decency that is recognized throughout the world. The inflammatory actions of a few misfits cannot extinguish those ideals. We can only do that ourselves. And I submit that a constitutional amendment to restrict speech—even speech such as this—is the surest way to stoke the embers of those who will push for even more restrictions.

HONORING THE 150TH ANNIVERSARY OF THE VILLAGE OF CASEYVILLE

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. COSTELLO. Mr. Speaker, I rise today in honor of the 150th Anniversary of the Village of Caseyville.

The Village of Caseyville first began to be settled in the 1840's. While today the area is well known for its small town charm, it was recognized in the 19th century as a coal-mining community.

Coal was not only a source of fuel and economic prosperity, but it influenced the further development of the community as well as regional transportation. Indeed, one of the first railroads in St. Clair County began in Caseyville, sponsored by the Illinois Coal Company.

Caseyville has also long been recognized as a quiet force in Illinois politics. The namesake of the town, Zadok Casey, served in the Illinois State Assembly as both a State Representative, State Senator, and Lieutenant Governor. He eventually served in the U.S. Congress before returning to the Illinois Assembly to serve in the State House and State Senate again.

Today, I am proud to represent Caseyville, a close community of churches, civic groups, and businesses. This weekend as the Nation celebrates the anniversary of our country's independence, Caseyville residents will also proudly remember their own place in American History.

Mr. Speaker, I ask my colleagues to join me in recognizing the Village of Caseyville in commemoration of its 150th Anniversary.

THE GENETIC NONDISCRIMINATION IN HEALTH INSURANCE AND EMPLOYMENT ACT

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Ms. SLAUGHTER. Mr. Speaker, I am proud to rise today to announce the introduction of the Genetic Nondiscrimination in Health Insurance Employment Act, a bill that will protect all Americans against the misuse of their genetic information.

Genetic information is among the most powerful, personal, and private information we can have about ourselves. Increasingly, genetics can give us insights into the fundamental characteristics that make us individuals—into what makes our eyes blue, our skin freckled, our bones more prone to breaking, our family members unusually long-lived. Yet while genetic information can offer insights, it rarely extends guarantees. Few genes carry an absolute assurance of developing a given condition or disease. Rather, the vast majority of genes increase or decrease our health risks, interacting with a complex web of environmental and other factors to produce an actual health outcome.

Our understanding of genetics and the interplay between genes and outside influences is still in its infancy, but it is growing every day. The Human Genome Project, coordinated by the National Human Genome Research Institute, now predicts that we will have a ''working draft'' of the entire human genome by early in the year 2000. A complete, highly accurate transcript will be completed only perhaps two to three years later. In the meantime, science will continue racing ahead to identify genes associated with specific traits and diseases. Before long, new gene-based therapies will likely be available to treat genetic diseases, ushering in a new era in human medicine.

The promise of genetic research and technology seems almost limitless. Unfortunately, the potential for abuse of genetic information is also considerable. Many health insurers and employers have already expressed a keen interest in the potential to use genetic information. In some cases, this genetic information would not be used to pursue the best interests of the individuals involved. Health insurers may wish to use genetic data to determine which consumers are likely to be the most or least healthy, setting insurance premiums accordingly or denying coverage altogether. Employers could use genetic information in hiring or promotion decisions, or as a tool to keep their company's insurance premiums low. In either situation, such actions would effectively punish individuals for being born with certain genes.

Americans are deeply concerned about the possibility of genetic discrimination. In a recent poll of Better Homes & Gardens readers, fully 90 percent of respondents said they were extremely, very, or somewhat concerned when asked, ''How concerned are you that [genetic] tests will be used to deny health insurance or even jobs?'' Even more worrisome, evidence is emerging that many people are deciding not to participate in clinical trials or genetic research because they fear their genetic information might not remain private. Clearly, we must protect the privacy of genetic information and prevent abuse of this data if we are to avoid damaging the propsects of genetic research for curing human ills.

The Genetic Nondiscrimination in Health Insurance and Employment Act would provide all Americans with the necessary guarantees that their genetic information will not be used against them. This bill would prevent insurers from raising insurance premiums or denying coverage based on predictive genetic information. It would also prohibit insurance companies from requiring disclosure of this sensitive information or revealing it to third parties without consent. These provisions are backed up with meaningful penalties and remedies.

In addition, this bill contains crucial provisions banning genetic discrimination in employment. Under this legislation, employers would be barred from failing to hire, firing, or discriminating against workers with respect to the compensation, terms or privileges of employment based on genetic information. Employers would be prohibited from collecting genetic information except in connection with a program to monitor biological effects of toxic substances in the workplace. Finally, the privacy of genetic information would be protected by preventing employers from disclosing this information to outside parties.

I am pleased to note that companion legislation is being introduced today by Senators TOM DASCHLE, EDWARD KENNEDY, TOM HARKIN, and CHRISTOPHER DODD. Our bill is supported by a broad range of organizations active on health care issues. I look forward to building a bipartisan coalition in support of this bill, which responds effectively to the concerns of the American people with regard to genetics.

Mr. Speaker, I urge the House leadership to schedule hearings immediately on the Genetic Nondiscrimination in Health Insurance and Employment Act. With completion of the human genome mapping imminent, we cannot afford to waste any more time in addressing these critical issues. Congress must act quickly to protect all Americans against genetic discrimination and secure the future of genetic research.

HEALTH OF THE AMERICAN PEOPLE

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Ms. PELOSI. Mr. Speaker, people from my district in San Francisco come to visit my office wanting to talk about their personal battle against disease. They include parents of children with juvenile diabetes, women fighting a breast cancer diagnosis, families of people with Parkinson's, and people struggling with HIV disease and AIDS.

They come to talk about different problems, but speak with one resounding voice about how they want Congress to respond. Their message to me, and to all of us, is that funding for the National Institutes of Health must be doubled over five years.

My colleagues, we must heed their message and continue to increase NIH funding to achieve this goal. As a member of the Appropriations Subcommittee on Labor-HHS-Education, I strongly supported last year's $2 billion, or 15%, increase in the research budget at the NIH, bringing total funding to $15.6 billion. And this year, I am an original cosponsor of H. Res. 89, legislation that expresses the sense of the House of Representatives that NIH funding should be increased by another $2 billion in fiscal year 2000.

I support these increases because I believe we are on the verge of making great leaps ahead in our ability to treat and prevent a wide range of diseases. Dr. Harold Varmus, Director of NIH, has testified before the Labor-HHS-Education Subcommittee that, ''discoveries are occurring at an unprecedented pace in biology and medicine, presaging revolutionary changes in medical practice during the next decade.'' We have a responsibility to take advantage of this enormous opportunity to advance science, fight disease, and save and prolong life.

There are many success stories to point to at NIH and many challenges that lie ahead, including eliminating health disparities, reinvigorating clinical research, finding cures and vaccines for hundreds of diseases including malaria, cancer and HIV, and mapping the human genome and making in accessible to scientists across the world.

As Dr. Varmus testified this year, ''Throughout the world, the NIH is considered the leading force in mankind's continuing war against disease.'' Our wise investment in NIH is paying off. We must enter the new millennium investing in science that can unlock secrets of human disease and human health, and change our world for the better. I urge my colleagues to support a doubling in NIH funding over five years.

INTRODUCTION OF H.R. 2413, THE COMPUTER SECURITY ENHANCEMENT ACT OF 1999

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SENSENBRENNER. Mr. Speaker, I am pleased to introduce, H.R. 2413, the Computer Security Enhancement Act of 1999, a bipartisan bill to address our government's computer security needs. Joining me as cosponsors of this important legislation is Mr. Bart Gordon of Tennessee and Mrs. Connie Morella of Maryland, the Chairwoman of the Science Committee's Technology Subcommittee.

The bill amends and updates the Computer Security Act of 1987 which gave the National Institute of Standards and Technology (NIST) the lead responsibility for developing security standards and technical guidelines for civilian government agencies' computer security. Specifically, the bill:

1. Reduces the cost and improves the availability of computer security technologies

for Federal agencies by requiring NIST to promote the Federal use of off-the-shelf products for meeting civilian agency computer security needs.

2. Enhances the role of the independent Computer System Security and Privacy Advisory Board in NIST's decision-making process. The board, which is made up of representatives from industry, federal agencies and other outside experts, should assist NIST in its development of standards and guidelines for Federal systems.

3. Requires NIST to develop standardized tests and procedures to evaluate the strength of foreign encryption products. Through such tests and procedures, NIST, with assistance from the private sector, will be able to judge the relative strength of foreign encryption, thereby defusing some of the concerns associated with the expert of domestic encryption products.

4. Clarifies that NIST standards and guidelines are to be used for the acquisition of security technologies for the Federal Government and are not intended as restrictions on the production or use of encryption by the private sector.

5. Addresses the shortage of university students studying computer security. Of the 5,500 PhDs in Computer science awarded over the last five years in Canada and the U.S., only 16 were in fields related to computer security. To help address such shortfalls, the bill establishes a new computer science fellowship program for graduate and undergraduate students studying computer security; and

6. Requires the National Research Council to conduct a study to assess the desirability of creating public key infrastructures. The study will also address advances in technology required for public key in technology required for public key infrastructure.

7. Establishes a national panel for the purpose of exploring all relevant factors associated with the development of a national digital signature infrastructure based on uniform standards and of developing model practices and standards associated with certification authorities.

All these measures are intended to accomplish two goals. First, assist NIST in meeting the ever-increasing computer security needs of Federal civilian agencies. Second, to allow the Federal Government, through NIST, to harness the ingenuity of the private sector to help address its computer security needs.

Since the passage of the Computer Security Act, the networking revolution has improved the ability of Federal agencies to process and transfer data. It has also made that same data more vulnerable to corruption and theft.

The General Accounting Office (GAO) has highlighted computer security as a government-wide, high-risk issue. GAO specifically identified the lack of adequate security for Federal civilian computer systems as a significant problem. Since June of 1993, the General Accounting Office (GAO) has issued over 30 reports detailing serious information security weaknesses at 24 of our largest Federal agencies.

The Science Committee has held seven hearings on computer security since I became Chairman in 1997. During the hearings, Members of the Science Committee heard from some of the most respected experts in the field. They all agreed that the Federal Government must do more to secure the sensitive electronic data it possesses.

The Federal Government is not alone in its need to secure electronic information. The corruption of electronic data threatens every sector of our economy. The market for high-quality computer security products is enormous, and the U.S. software and hardware industries are responding. The passage of this legislation will enable the Federal Government, through NIST, to benefit from these technological advances.

I look forward to working with all interested parties to advance the Computer Security Enhancement Act of 1999. In my estimation, it is a good bill, and I am hopeful we can move it through the legislative process in short order.

THE COMPUTER SECURITY ENHANCEMENT ACT OF 1999

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GORDON. Mr. Speaker, today, I am pleased to join Chairman SENSENBRENNER in introducing the Computer Security Enhancement Act of 1999. I was an original co-sponsor of similar legislation in the 105th Congress. The measure follows a stream of attacks just this past week on government Web sites including the Senate, White House, the National Oceanic Atmospheric Administration's severe weather warning site, the Defense Department and the FBI's National Infrastructure Protection Center, whose very purpose is to protect federal sites from such attacks.

The Computer Security Enhancement Act of 1999 will encourage the use of computer security products, both by federal agencies and the private sector, which in turn will support the new electronic economy. I am convinced that we must have trustworthy and secure electronic network systems to foster the growth of electronic commerce. This legislation builds upon the successful track record of the National Institute of Standards and Technology (NIST) in working with industry and other federal agencies to develop a consensus on the necessary standards and protocols required to support electronic commerce.

Chairman SENSENBRENNER has already outlined the provisions of this bill. However, I would like to take a few minutes to explain provisions I added to this legislation that are based on H.R. 1572, the Digital Signature Act of 1999, which I introduced with the support of Chairman SENSENBRENNER on 27 April 1999 to complement last year's Government Paperwork Elimination Act. When I introduced H.R. 1572, I stated that it was a work in progress. Section 13 of the Computer Security Enhancement Act, which we are introducing today, is the result of discussions I have had with industry and federal agencies.

As a result of these discussions, the general provisions in H.R. 1572 have been re-drafted to include all electronic authentication techniques. Section 13 requires NIST, working with industry, to develop minimum technical standards and guidelines for Federal agencies to follow when deploying any electronic authentication technologies. In addition, Section 13 authorizes the Undersecretary of Commerce for Technology to establish a National Policy Panel for Digital Signatures to explore the factors associated with the development of a National Digital Signature Infrastructure based on uniform model guidelines and standards to enable the widespread utilization of digital signatures in the private sector.

I want to highlight that these provisions are technology neutral. Rather they encourage federal agencies to use uniform guidelines and criteria in deploying electronic authentication technologies and to ensure that their systems are interoperable. The provisions also encourage agencies to use commercial off-the-shelf software (COTS) whenever possible to meet their needs. None of these provisions give the Federal government the authority to establish standards or procedures for the private sector.

The use of electronic authentication technologies are critical for the continued growth and security of electronic transactions on the Internet. With the rapid growth of the Internet we have lost the ability to actually "know" who we are communicating with is who they say they are. In order to exchange sensitive documents or to do business transactions with confidence it is important that electronic authentication systems are used that both uniquely identify both the sender and/or the recipient and verify that the information exchanged has not been altered in transit. Electronic authentication is as much of a computer security issue as having good firewalls, strong encryption, and virus scanners.

I want to stress the underlying principle of the Computer Security Enhancement Act of 1999 is that it recognizes that government and private sector computer security needs are similar. Hopefully the result will be greater security and lower cost for everyone as we increasingly move towards an electronic economy.

The bill we are introducing today is the result of close bipartisan cooperation and it has been a pleasure working with Chairman SENSENBRENNER on this legislation.

I urge my colleagues to support the Computer Security Enhancement Act of 1999.

EDUCATIONAL TECHNOLOGY UTILIZATION EXTENSION ASSISTANCE ACT

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BARCIA. Mr. Speaker, I am pleased to introduce, along with my friend from Oregon, Mr. Wu, the Educational Technology Utilization Extension Assistance Act. This bill directs the National Science Foundation to work with the Department of Education and the National Institute of Standards and Technology to create educational technology extension centers based at undergraduate institutions. The focus of these centers is to advise and assist local K–12 schools to better utilize and integrate

their existing ed-tech infrastructure into their curriculum and classroom.

During my tenure in Congress, much attention has been given to the subject of computers in the classroom and wiring schools for the Internet. These initiatives are often viewed as a panacea for improving test scores, and millions of dollars have been invested in these technologies. Missing from this strategy is any useful, long-term advice on how to best integrate ed-tech into the educational process. In fact, one of the last reports produced by the excellent staff of OTA highlighted the problem of teachers not being effectively trained on how to best use these technologies in the classroom. The same report pointed out that local school officials were often unaware of the substantial infrastructure and operational costs associated with deploying and maintaining these educational technologies.

These findings were echoed by a February 1999 Department of Education report, ''Teacher Quality: A Report on the Preparation and Qualification of Public School Teachers.'' The Department of Education found that only 1 in 5 teachers felt well-prepared to work in a modern classroom. In addition, the most common form of professional development for K–12 teachers are 1-day workshops which have little relevance to classroom activities. Consequently, the full potential of ed-tech has never been fully realized.

The Educational Technology Utilization Assistance Act is an attempt to rectify this gap in the educational infrastructure. This bill does not create a new top-down Federal program, but rather it allows local extension centers to assist local primary schools to better integrate educational technologies into their curriculum. Of course this concept is not new. In fact, it is based on the highly successful Agricultural Extension Service and the Manufacturing Extension Partnership. Both of these programs are model public/private partnerships that use specific solutions to solve unique problems as they are found in the field and rejects the ''one size fits all'' approach that is so often associated with federal government programs.

It is my hope that using the extension model, educational technology centers would represent a public-private partnership with the participation of universities, the private sector, state and local governments, and the federal agencies. In this spirit of partnership, the federal share of funding would be limited to 50 percent, thereby ensuring that all stakeholders would have a financial incentive to making the ETU Centers successful.

Once an ETU Center is established, it will be able to tailor its activities to local needs, and, more importantly, to share ETU Center expertise and experience with local schools. For example, activities may include teacher training for new technologies, or integrating the school's existing technology infrastructure into their curriculum; advising teachers, administrators and school boards on criteria for acquisition, utilization, and support of educational technologies; and advising K–12 schools on the skills required by local industry.

Given our rapidly changing economy, it is vital that both teachers and students not only be comfortable with the leading technologies of today, but also receive periodic training to ensure their ability to teach the next generation of technologies. I am confident this legislation will accomplish both of these important goals, as well as help students develop those skills in demand by industries increasingly reliant on technology.

I urge my colleagues to support this important legislation.

TRIBUTE TO POLICE CHIEF PETER W. STEPHAN

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to an honorable and noble public servant from Grayling, Mich., Police Chief Peter W. Stephan.

After 41 years of dedicated service, Chief Stephan is retiring. A Grayling native, he began his distinguished career in 1958 as a patrolman for the city. After 14 years, he was promoted to police chief in 1972, marking the beginning of his 27-year tenure.

During his remarkable career, Chief Stephan has held numerous positions of honor including: serving as a member and past president of the Michigan Association of Chiefs of Police, serving as member and president of the Northern Michigan Association of Chiefs of Police, member of the Environmental Crimes Committee, and a member of the Michigan Association of Chiefs of Police Legislative Committee.

Chief Stephan was also instrumental in creating the Crawford County Drug Lab and the Michigan State Police Crime Lab in Grayling.

The achievements and duration of Chief Stephan's career speak for themselves. He is a dedicated community leader, committed to serving and protecting the people of Grayling, ensuring that his city is not just safe, but serves as a model for other communities in Michigan.

Chief Stephan is a shining example of excellence of whom Grayling residents can be proud. His career is a point of pride for the people of Grayling, who can look to him as an example of a public servant with dignity, pride and exemplary service.

Mr. Speaker, please join me, his family, friends and colleagues in congratulating him.

INTRODUCTION OF THE WORKER PAYCHECK FAIRNESS ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GOODLING. Mr. Speaker, I rise today to introduce the Worker Paycheck Fairness Act. The bill provides a workable, reasonable mechanism for dealing with the issue of organized labor taking dues money from rank-and-file union members—from members who have to pay dues or they cannot keep their jobs. The legislation in no way changes the manner in which unions can spend money, it simply provides union workers the dignity of being able to give their up-front consent to their union before funds having nothing to do with collective bargaining are taken out of their paychecks.

In the six hearings my Committee held the past few Congresses on the issue of compulsory union dues, we heard from worker after worker telling us about the one thing they each want from their union: the basic respect of being asked for permission before the union spends their money for purposes unrelated to labor-management obligations. Most of these employees were upset over finding out their hard-earned dollars were being funneled into political causes or candidates they did not support. However, most of these workers supported their union and still overwhelmingly believe in the value of organized labor. A number of witnesses were stewards in their union. All they wanted was to be able to give their consent before their union spent their money for activities falling outside collective bargaining and which subvert their deeply held ideas and convictions.

The Worker Paycheck Fairness Act, similar to legislation reported to the House last Congress after passing my Committee on Education and the Workforce by voice vote, simply gives workers this right to give their permission and the right to know how their money is spent. This legislation creates a new, federal right implementing the spirit of the Supreme Court's 1988 Beck decision.

In Beck, the Court held that workers cannot be required to pay for activities beyond legitimate union functions. After hearing testimony from dozens of witnesses, including 14 rank-and-file workers, it is clear to the Committee that Beck rights have remained illusory. The witnesses described problems with lack of notice, the necessity under current law of resigning from the union, procedural hurdles, and notably, the incredible indignities they often endure, including harassment, stonewalling, coercion, and intimidation, when they attempt to exercise their rights granted under Beck.

This legislation applies only where unions require workers to pay dues as a condition of keeping their jobs. This mandate is called a ''union security agreement,'' and such agreements are currently legal in 29 states. Simply put, a union security agreement forces a worker to pay an agency fee to the union, or the worker has no right to work. This bill is necessary, Mr. Speaker, because unions are taking money from the pockets of employees working under such security agreements and spending it on activities having nothing to do with a union's legitimate activities.

In addition to requiring consent, the Worker Paycheck Fairness Act requires employers whose employees are represented by a union to post a notice telling workers of their right under this legislation to give their consent. It also amends the Labor-Management Reporting and Disclosure Act of 1959 to ensure that workers will know what their money is being spent on. Under this change, unions would have to report expenses by ''functional classification'' on the LM-forms they are currently required to file annually with the Department of Labor. This change was proposed by the Bush administration in 1992 but eliminated by the Clinton administration.

This legislation also puts real enforcement into place, as those whose rights are violated

would be entitled to double damages and attorney's fees and costs—similar to relief available under the Family and Medical Leave Act. Finally, Mr. Speaker, the bill includes a common employment law provision making it illegal for a union to retaliate against or coerce anyone exercising his or her consent rights. This applies to all employees—union members and non-members alike—and under the provision, a union may not discriminate against any worker for giving, or not giving, their consent.

This bill is all the more necessary, Mr. Speaker, because there are those in Congress who are pushing campaign finance reform legislation which purports to codify Beck, but which actually represents a step backwards for working men and women.

Section 501 of the Shays/Meehan reform bill, H.R. 417, entitled ''Codification of Beck Decision,'' does nothing of the sort. Section 501 is a sugar-coated placebo that diminishes the Beck decision and does nothing to correct the current injustices in our federal labor law relating to unions' use of their members' hard-earned paychecks. My Committee's many hearings have shown that the current law in this area does not work because it does not adequately protect workers. A close reading of Section 501 shows not only that the provision does not codify Beck, but that it is in fact a step backwards from codifying current law. Section 501 is so favorable to unions that organized labor could not have done a better job drafting it themselves.

First, Section 501 provides absolutely no notice of rights to members of the union—it applies only to non-members. Second, Section 501 redefines the dues payments that may be objected to, by limiting such to ''expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.'' This definition not only infers that there may be other types of political expenditures to which workers cannot object—a perversion of Beck—but it also ignores Beck's holding that workers may object to any dues payments for any union activities not directly related to collective bargaining activities. Section 501 would cut back even further on the already illusory rights workers supposedly have today under Beck.

If Congress is truly going to try to deal with the issue of organized labor taking dues money from rank-and-file members laboring under a union security agreement—taking funds without permission and spending it on causes and activities with which the workers disagree—then let us not fool around with Section 501 of the Shays/Meehan bill. Section 501 is a fig leaf that falls woefully short of addressing the problem.

What we have today is a broken system that allows unions to raid workers' wallets, forces workers to resign from the union, requires workers to object—after the fact—to their money being removed from their paycheck, and then requires workers to wait for the union to rebate those funds, if they get around to doing so.

The Worker Paycheck Fairness Act is a proper and reasonable fix that truly implements the spirit of the Supreme Court's Beck decision. I urge my colleagues to support the bill.

IRS REPLACEMENT ACT

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BONILLA. Mr. Speaker, my colleagues, the Spirit of '76 lives today. Two centuries ago, our forefathers rose up in revolt against a oppressive tyrant under the banner of no taxation without representation. They understood oppressive taxation was a form of tyranny, and they committed themselves to secure liberty against all odds. Who would have through that we would triumph against that century's superpower, the British Empire. Yet, we all know we beat the odds and achieved the freedom we all enjoy today.

Today, taxpayers have had enough of a system that treats them as criminals, rather than customers. We need to abolish today's tyrant, the Internal Revenue Service, and replace it with a system that treats you—the taxpayer—fairly. Today, 76 Members of Congress are joining together to recreate that spirit and battle against the odds to make this goal a reality. We are introducing legislation that puts the Congress on a path to abolishing the IRS and implementing a more fair, and simple tax system.

The struggle for freedom is never ending. I committed to he people of the 23rd District that I would fight to abolish the IRS as we know it. Today 76 Members of Congress are joining together to keep that commitment and end this modern day tyranny. The Founding Fathers did not allow the long odds to deter them in their struggle for liberty. That Spirit of '76 lives today. My colleagues please join the 76 of us in recreating that spirit and cosponsor the IRS Replacement Act.

THE CONSUMER HEALTH AND RESEARCH TECHNOLOGY (CHART) PROTECTION ACT INTRODUCED

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHAYS. Mr. Speaker, today I am introducing the Consumer Health And Research Technology (CHART) Protection Act to ensure the confidentiality of medical records.

There is currently no uniform standard to protect the privacy of a patients' medical records. There have been a number of startling examples of the potential effect of this void on the lives of Americans.

For example, The National Law Journal reported in 1994 that a banker who also served on his county's health board cross referenced customer accounts with patient information and subsequently called due the mortgages of anyone suffering from cancer.

Under the Health Insurance Portability and Accountability Act (HIPAA), Congress set a schedule for action on this issue. Should Congress fail to enact comprehensive legislation to protect the confidentiality of medical records by August of this year, the Secretary of Health and Human Services will be required to promulgate regulations.

Congress must act before the Secretary steps in.

We need to strike an effective balance between preventing the disclosure of sensitive information and ensuring health care providers have the information they need to treat individuals and make payments. The CHART Protection Act is an effort to achieve such an equilibrium.

The CHART Protection Act safeguards the confidentiality of medical records while protecting legitimate uses. The legislation sets out the inappropriate uses of medical information. These prohibitions relate specifically to individually identifiable information.

This is an important departure from the approach taken by other bills which seek to restrict the use of health information unless specifically authorized for disclosure.

The CHART Protection Act creates a ''one-step'' authorization process for the use of individually identifiable information by providing for authorization up front, while allowing individuals to revoke their authorization at any time for health research purposes.

Most other proposals create a ''two-step'' authorization process in which treatment, billing and health care operations are covered by one authorization, while all other uses are subject to a separate authorization, including use of information for research purposes. This approach has been the source of much controversy and is likely to damage our ability to enhance medical knowledge and improve patient care.

In addition, the CHART Protection Act allows patients to inspect, copy and where appropriate, amend their medical records.

Finally, the bill imposes stiff criminal and civil penalties for inappropriate disclosures of individually identifiable information and creates a powerful incentive to anonymize data.

We need to achieve a balance between a person's legitimate expectation of privacy and the right of a business to know what it is paying for.

It is my hope that my colleagues on both sides of the aisle will recognize the necessity of passing a uniform and comprehensive confidentiality law which would serve to balance the interests of patients, health care providers, data processors, law enforcement agencies and researchers.

DAUGHTERS OF THE AMERICAN REVOLUTION

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. DELAY. Mr. Speaker, the National Society of the Daughters of the American Revolution (DAR) held its 108th Continental Congress this past April 19th. The DAR is committed to preserving the memory of our Founding Fathers who achieved independence for America and instituted our constitutional form of government. The members of the DAR passed the following commemorative and resolutions as part of their recent Continental Congress and I submit them for the CONGRESSIONAL RECORD.

COMMEMORATIVE—GEORGE WASHINGTON

In commemoration of the 200th anniversary of the death of George Washington in 1999, it is appropriate to remember his words and deeds that still define and guide our country. George Washington said, ''To be prepared for war is one of the most effectual means of preserving peace.''

The Father of our Country surveyed the wilderness; was an officer in the Virginia militia during the French and Indian War; owned a profitable plantation on the Potomac with its trading schooners; was Commander-in-Chief of the Patriot forces in the American Revolution; helped create our nation as President of the Constitutional Convention; then became the first President of the United States of America.

In an address to Congress in 1793 he said, ''There is a rank due to the United States among Nations, which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it: if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.''

George Washington was indeed ''first in war, first in peace, first in the hearts of his countrymen.''

EMERGENCY RESOLUTION—KOSOVO

Whereas, The President of the United States of America has authorized the use of air strikes in Yugoslavia due to the crisis in Kosovo without a clear mandate from the Congress of the United States of America, thus violating Article I, Section 8, Clauses 11,12,13 of the Constitution of the United States of America.

Whereas, This action of the member countries of the North Atlantic Treaty Organization (NATO) is without clearly defined goals, objectives, and disclosures of the cost of maintaining an uncertain peace with no discernible conclusion in an ethnically divided nation; and

Whereas, The National Society of the Daughters of the American Revolution have always supported the Armed Forces of the United States of America and will continue to do so; therefore, be it

Resolved, That the National Society of the Daughters of the American Revolution express grave concern over the continuing expansion of United States involvement in the Balkans which places American lives in jeopardy in the absence of the constitutionally required action of Congress.

A STRONG NATIONAL DEFENSE

Whereas, The armed forces have shrunk about 40 percent in force structure and troop levels since 1989, resulting in an over-tasked military decreased to pre-Pearl Harbor levels and, defense spending, when adjusted for inflation, has dropped since its 1985 peak from $424.5 billion to the Presidential request of $267.2 billion for FY 2000;

Whereas, Insufficient funds for defense have led to cannibalization of spare parts from some aircraft to keep others flying, eligibility of military families for food stamps, inadequate housing, unreliable and inadequate health care, diminished training standards, and frequent deployments of questionable value which have weakened family units and the entire military establishment; and

Whereas, The morale of the military rests upon the support and respect of the people, and the security of the nation rests upon a force that is adequately funded and appropriately engaged; therefore, be it

Resolved, That the National Society of the Daughters of the American Revolution support increased pay and benefits for the military, defense appropriations sufficient to assure the military has the equipment to perform its duty to this country; and respect on the part of elected and appointed officials to avoid using the military inappropriately as pawns to manipulate foreign policy, and acknowledge their status as sons and daughters serving the nation.

MISSILE DEFENSE VS. ABM RESTRICTIONS

Whereas, The United States is aware that Russia has thousands of Intercontinental Ballistic Missiles (ICBMs) and that China reportedly has 13 nuclear missiles targeted on our cities, the Congressionally commissioned Rumsfeld Report, named for the Commission's chairman, a former Secretary of Defense, recently revealed the risk of a surprise attack by terrorist or Third World countries, of which 25–30 are seeking or acquiring ballistic missiles that could be launched from land, sea or air, carrying chemical, biological or nuclear warheads;

Whereas, Since President Reagan called for the Strategic Defense Initiative (SDI) in 1983, the National Society of the Daughters of the American Revolution has given it full support, recognizing that we have no defense against even one missile (which could kill millions), but not realizing that the Anti Ballistic Missile Treaty (ABM)—signed with the now non-existing Soviet Union—prohibits the development, testing and deployment of space-based,* air-based or mobile ground-based ABM systems; and

Whereas, The public should not be lulled into a false sense of security now that Congress has overwhelmingly passed a missile defense act—twice refused consideration last year by the Senate—because, as reported by the Wall Street Journal, the Administration has assured Russia that none of our ground-based interceptors would be capable of intercepting even an accidentally launched multiple warhead; therefore, be it

Resolved, That the National Society of the Daughters of the American Revolution, while reminding the public of our ever present vulnerability to Russia and Chinese nuclear missile attacks, alert the public to the Rumsfeld Report that details the imminent dangers of potential surprise attack posed by 25 to 30 terrorist or Third World countries, employing chemical, biological or nuclear missiles; consider the ABM Treaty defunct, as is the other signatory, the USSR; and promote immediate development and deployment of space-based and air-based missile defense.

*Space-based missiles are much more accurate and less expensive.

BEWARE OF CHINA

Whereas, The communist Chinese have not only secured important nuclear technology through spying but have also influenced American elections, foreign policies, trade policies and strategic interests of this country through millions of dollars in political contributions; and the Chinese have received satellite technology, nuclear technology, a continuation of their most favored nation status and a weakening of our support for Taiwan which we had pledged in the Taiwan Relations Act of 1979;

Whereas, Every technology business allowed to operate in China must give China the secrets of its technology, and China has used both sensitive technological material from private and United States governmental sources and its trade status to enhance its military capacity with missiles which can now target the United States and our troops in Japan, Korea, and Okinawa with nuclear warheads; and

Whereas, Communist China's military is benefiting by its annual trade surplus with the United States of about $40 billion, produced by a 35% tariff on United States goods going to China and a low 2% tariff on Chinese products imported to the United States; while Taiwan, a democratic country, which imports almost twice as much from the United States as mainland China, should be given more consideration as its loss would be a severe military and economic blow to our country; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution recognize that a foreign power has invaded our electoral process and undermined our national security and support the following:

1. Enforcement of laws forbidding foreign campaign contributions,
2. Establishment of a more thorough screening of personnel to prevent Chinese spies from stealing our high technology,
3. Withdrawal of the most favored nation status in trade for China which has resulted in our large trade deficit with them,
4. Reaffirmation of our support of Taiwan, a democratic country, which we pledged in the Taiwan Relations Act of 1979,
5. Prohibition of any further export of high technology material to China.

PANAMA CANAL—AN IMMINENT CATASTROPHE

Whereas, The Isthmus of Panama, one of the most strategic parts of the globe and vital to American security, is the location of many valuable United States military installations representing billions of dollars of investments which are due to be vacated by the end of 1999 unless there is a renegotiation of the terms of our treaty with Panama;

Whereas, The present government of Panama, in violation of the neutrality provisions of the 1978 treaty between the United States and Panama, has already leased the Atlantic and Pacific ports at each end of the Panama Canal to a Chinese shipping company and plans to turn over the United States land installations to them as well, thus enabling China to terrorize all of North and South America with missiles; and

Whereas, The right of transiting the Canal, crucial to the United States military efforts in World War II, Korea, Vietnam, and the Gulf War, could be denied to the United States in a military emergency, necessitating a two-week, 8,000 mile trip around the tip of South America; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution support re-negotiation of the United States Treaty with Panama before its expiration on December 31, 1999, in order to retain our military bases there, to preserve our rights of transit through the canal, and to prevent the establishment of Chinese missile bases in Panama from which China could strike all of North and South America with missiles.

TERRORISTS TARGET AMERICANS

Whereas, Although Americans are cognizant of major terrorist attacks such as the World Trade Center, the Marines in Beirut and the American Embassies in Africa, they are complacently unaware that 35 percent of all terrorist attacks worldwide last year were against Americans and that the Secretary of the Army has said, ''It's not 'if' but 'when' a weapon of mass destruction will be used in this country'';

Whereas, Also known is the holy jihad proclaimed by radical Arabs from many of the

Middle East countries stockpiling chemical and biological germ substances with the professed aim to kill Americans, and that 1,500 to 2,000 known terrorists are living in the United States, yet we have no international anti-terrorist policy that is either consistent, effective, understood by the world or that frightens terrorist nations; and

Whereas, Terrorists with a cyberspace attack could create an electronic Pearl Harbor, cutting off electricity, shutting down 911 systems and all telephone networks, disabling police and military communication, shutting down the infrastructure of the country, thus creating chaos and paralyzing the country; therefore, be it

Resolved, That, The National Society of the Daughters of the American Revolution, while cultivating the good will of moderate Arabs, support a pro-active approach to international terrorism using surrogates when possible, moving to affect terrorist training centers of governments that allow such activity, and taking appropriate action about known terrorists in the United States.

THE UNITED STATES—A REPUBLIC

Whereas, America's heritage is grounded in a deep faith in God, rooted in freedom, and protected by a written Constitution in which our Founding Fathers were careful to give us a Republic in which the rights of a minority are protected by law from the will of the majority;

Whereas, Many Americans have no concept of the meaning of a ''democracy in a republic,'' resulting in a misconception of our constitutional form of government, the heritage from which it is derived, and the dangers inherent in a pure democracy; and

Whereas, Our Republic is endangered today by the indifference of millions of Americans to their duties and responsibilities, and by the many who place blind faith in the authority of the Federal Government and their growing reliance on the government's ability to provide; our Republic will not long endure as long as people accept and encourage the growth of coercive government, allow the Supreme Court to make law by judicial fiat, Congress to pass unconstitutional laws, and the Executive to issue unrestrained Executive Orders which circumvent the Constitution; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution remind all members that a sovereign America lies in the preservation of our great Republic under the rule of law; and the key to that lies with the education and awareness of all of our citizens to the imminent dangers facing this nation unless persons are elected to office who will uphold and preserve the Constitution of the United States of America.

ABOLISH NATIONAL STANDARDS FOR AMERICAN HISTORY

Whereas, The Goals 2000 Education America Act became law March 1994, stressing world class standards for teaching eight subjects including ''development of internationally competitive standards in American History''; this act was financed by monies from the National Endowment of the Humanities and the Office of Education, yet these national history standards are in violation of the Tenth Amendment of the United States Constitution;

Whereas, Existing National Standards minimize teaching state and regional histories, including western expansion, but emphasize national social history while deemphasizing the role of political, military, and economic history and leaders for the periods of colonization, the American Revolution, and the development, and implementation of the United States Constitution; and

Whereas, While National Standards next mention the military conflicts from the Mexican War through World War II, they do not provide curriculum or resources as patterns for the study of contemporary America, yet they continue to emphasize the social history over politics, economics, and military policy and leaders; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution oppose continuation of the use of the National Standards for United States History in America's public, private and parochial schools because of the distorted emphasis on social history.

SAFEGUARD THE RIGHT TO PRIVACY

Whereas, One of the greatest threats to personal liberty today is the growth of the surveillance state, where it is possible to build a file on every United States citizen via immense databases, containing detailed records on health status and treatment, job status, driving records, financial, credit, and banking transactions; and now government is demanding the right to read e-mails and computer files, listen to phone conversations and track the location of cell phone calls:

Whereas, Increasing citizen database collection with further encroachments into personal privacy have already been launched by the governmental proposal of a personal health ID number to track each person's medical records, collection of DNA data from citizen detainment, expansion of FBI phone surveillance without additional court authorization (roving wiretaps) and the requirement of Social Security numbers on drivers' licenses beginning October 2000; and

Whereas, In order to counteract the progression of government intrusion, such as the temporarily withdrawn Federal Deposit Insurance Corporation (FDIC) ''Know Your Customer'' regulation, recently proposed legislation would forbid the use of Social Security numbers for unrelated purposes, prohibit government agencies from using the same numeric identifier or assigning ID numbers to investigate or monitor transactions between private parties and prevent the withholding of federal funds to states which choose not to impose federal identifiers; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution oppose the establishment of federal and private databases with the creation of numeric identifiers designed to track our activities, view these efforts as an intrusion of privacy which is incompatible with a limited, constitutional Republic, and support efforts to curtail further federal encroachment into the private lives of our citizens.

EXECUTIVE ORDERS ENFORCE UNRATIFIED UN TREATIES

Whereas, the President of the United States, who has issued more than 270 Executive Orders, marked the 50th Anniversary of the UN Universal Declaration of Human Rights by signing Executive Order 13107 establishing a federal agency empowered to ''implement UN human rights treaties to which the United States is now or may become a party in the future'';

Whereas, The International Covenant on Economic, Social and Cultural Rights, which jeopardizes property rights and binds us to enact legislation to prove ''adequate food, clothing and housing'' for everyone in the world, is among unratified human rights treaties that would be activated although it has been rejected by eight former United States Presidents; and

Whereas, Among other such unratified human rights treaties are the UN Convention on the Rights of the Child, replacing family authority with governmental dictates, and the UN Convention on the Elimination of all Forms of Discrimination Against Women, requiring implementation of the feminists' agenda in regard to social and cultural patterns of conduct of men and women, ''family education'' and even revision of textbooks, therefore, be it

Resolved, That the National Society of the Daughters of the American Revolution, recognizing that the President of the United States by Executive Order has ignored the constitutional requirement that Senate ratify treaties, and has empowered the implementation of both existing and as yet unwritten human rights treaties, even though present treaties would nullify our Constitutional rights, and impose dictatorial power over almost all aspects of our lives, urge opposition to Executive Orders which circumvent the Constitution or conflict with its balance of power requirements.

CORPORATE AMERICA AND THE GLOBAL ECONOMY

Whereas, Multinational corporations view the entire world as a single market; business conducted on the internet is not subject to national regulation; and the growth of global economy requires global governments which, a senior economist at the World Bank describes as ''governance without government,'' a public function wielded by bodies with no public accountability which threatens the economic national sovereignty of all nations;

Whereas, The Overseas Private Investment Corporation (OPIC) is an agency of the Federal Government, financially unaccountable to the public, that encourages American investments in developing countries by adding $2 in government guaranteed notes for every invested dollar, thus giving multinational corporations profits if the investment is a success while the United States tax payers cover any loss; and

Whereas, The United Nations (UN) is starting a new Third World economic development effort in partnership with multinational corporations, some of which have been accused of human rights or environmental abuses, by considering the creation of a logo incorporating the UN name that corporate sponsors could use, providing them with a powerful tool in many underdeveloped countries and an endorsement that would allow sponsoring companies to forge critical government relationships allowing them to undertake future projects not under the watchful eye of the UN; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution recognize that ''global governance'' requires constant vigilance to preserve our national sovereignty, realize that multinational corporations negotiate with and form working relationships with foreign governments, and oppose the use of our tax dollars as foreign investment guarantees.

MAKING SOCIAL SECURITY WORK

Whereas, The real ''Contract with America'' is Social Security which the United States government has failed to honor in recent years by transferring money from the Social Security Trust Fund to balance the budget thus creating a misleading surplus; Social Security is the single largest item in the federal budget, accounting for 20 percent of all spending and over 70 percent of American families now pay more in Social Security taxes than they do in federal income taxes;

Whereas, Congress has legislated the Social Security Administration to reduce benefits to 11,000,000 recipients born between 1917 and 1926, to reduce Social Security benefits in half to recipients who have earned another government pension, and to pay benefits to senior citizens who have not contributed to the system; and

Whereas, When the Baby Boomers begin to reach the age 65 in 2010, the Social Security System will pay only 65–75% of the current benefits, due to the increasing numbers of recipients growing from the present 40,000,000 to an estimated 80,000,000; therefore, be it

Resolved, That The National Society of the Daughters of the American Revolution favor fulfilling the obligation to those who have paid into the Social Security system and oppose the practice of factoring Social Security funds into the federal budget.

REAFFIRMATIONS

1. Injustice for all—World court—(1998)

Resolved, That the National Society Daughters of the American Revolution oppose any efforts to surrender our nation's sovereignty to the United Nations by establishing the International Criminal Court, a world tribunal that will override the United States Constitution, the American legal system, and our inherent rights.

2. The American Heritage Rivers initiative (AHRI)—(1998)

Resolved, That the National Society Daughters of the American Revolution oppose the American Heritage Rivers Initiative, a maneuver by the Executive Branch to thwart the powers reserved to Congress regarding regulation of navigable waters, to curb jurisdiction of states over land use planning as well as to restrict water rights, local zoning and individual property rights.

3. Census 2000: Support full enumeration versus sampling—(1998)

Resolved, That the National Society Daughters of the American Revolution support the Constitutional requirement of full enumeration of the Census 2000 including all American citizens residing abroad, which will provide important and necessary information to the United States Government and its people.

RECOGNIZING NATIONAL NEED FOR RECONCILIATION AND HEALING AND RECOMMENDING A CALL FOR DAYS OF PRAYER

SPEECH OF

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1999

Mr. HAYES. Mr. Speaker, last weekend I was going through my father's personal items. He passed away in November. I found this Bible tucked away in a drawer. On the front is inscribed "May this comfort and protect you." Inside it reads, "Commander in Chief, I take pleasure in commending the reading of the Bible to all who served in the Armed Forces of the United States Throughout the centuries men of many faiths and diverse origins have found in the sacred book words of wisdom, counsel, and inspiration. It is the foundation of strength, and now as always an aid in attaining the highest aspirations of the human soul." Franklin Roosevelt.

The next page: "Our prayers are constantly with you, thanking God daily for your joy and faith in him. Heartfelt love, Mother."

We have heard the question today, "what right does the government have imposing its values on us." What right did President Roosevelt have sending my father off to war with this bible more 50 years ago. The president is a leader, Congress is a leader, we need to lead by example by turning to our faith.

HONORING THE 150TH ANNIVERSARY OF THE VILLAGE OF AKRON

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. REYNOLDS. Mr. Speaker, I rise today to commemorate the 150th anniversary of the incorporation of the Village of Akron in Erie County, New York.

Since Jonathan Russell first cleared enough forest to build a frame house and general store, the village of Akron has established itself as a proud community to live and work in. Their strong industrial base, solid work ethic, and rich heritage has helped Akron live up to its name, which means "high place."

Besides a tremendous pride in their community, the residents of Akron have shown an equally impressive love of their country—serving when called whenever our freedom or liberty was threatened. Among the sons and daughters of Akron who have proudly served their nation was General Ely S. Parker, who helped write the terms of the surrender at Appomattox during the Civil War.

From an outstanding commitment to education through the Akron Central School, to the growth of such employers as the well-known Perry's Ice Cream Company to a vibrant business district and strong spirit of community, the village of Akron has enjoyed a tremendous 150 years of history.

Mr. Speaker, as we celebrate the birth of our Nation this weekend, on Sunday, July 4, 1999, residents and local officials of Akron will gather in Russell Park in the village to celebrate their sesquicentennial and the rich and proud history of their community. I ask, Mr. Speaker, that this House of Representatives join me in extending to the citizens of Akron, past, present, and future, our sincerest best wishes and heartiest congratulations on their 150th Anniversary.

CAREGIVERS ASSISTANCE ACT OF 1999

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. STARK. Mr. Speaker, I am proud to join with Mr. MARKEY in introducing this important bill. Each day, millions of families struggle as they care for their loved ones who suffer from chronic and debilitative diseases. Alzheimer's disease, Parkinson's disease, multiple sclerosis, Down's syndrome, and the ravages of old age make many people dependent on others for their basic care.

Many Americans depend on long-term health care due to a chronic illness or a permanent disability. For example, as many as four million of the nation's elderly currently suffer Alzheimer's disease. Unless someone finds a cure for this condition, the numbers are sure to grow. Within the next 20 to 30 years, there may well be over 14 million persons with this terrible disease that slowly destroys the brain. According to recent surveys, over 50 percent of persons with Alzheimer's disease continue to live with a relative or spouse who sees to their day-to-day care. This personal care may last for many years and represents the equivalent of a full-time job.

We are currently working on a comprehensive bill that will broaden the scope of services families and patients can use to meet their long-term care needs. In the interim we offer this modest first step.

Specifically, this bill provides a $1,000 tax credit for caregivers similar to the one described by the President in his State of the Union address. Unlike the President's proposal our tax credit is completely refundable and makes no distinction between care for an adult or a child.

If the credit is not refundable, it will be of little or no use to many of the families most in need of caregiver help. The following table illustrates the consequences as simple tax credit that is not refundable. A single individual who makes less than $7,050 will receive no benefit. That same person would have to make $13,717 to receive the full $1,000 of assistance. Similarly, an elderly couple would need a combined annual income of $21,067 to realize the entire tax credit.

Filing status	Minimum income required to receive portion of tax credit	Income required to receive full tax credit
Single	$7,050	$13,717
Head of Household With One dependent	11,850	18,571
Married Joint Filers	12,700	19,367
Elderly Single Filer	8,100	14,767
Elderly Married Joint Filers	14,400	21,067

The consequence of a simple tax credit is that those people who most need assistance will be the least likely to obtain the intended support. To be honest, $1,000 is not that much money for long-term care, but it does provide a family with modest relief that they can use as they see fit. That is why we have structured the bill to ensure that those who most need the support will receive the refund.

Another important distinction between our proposal and the President's is the treatment of children with long-term care needs. The President's proposal would limit the tax credit to $500 for children with long term care needs. We do not agree with this policy. The long-term care needs of a disabled child are just as expensive and emotionally distressing as they are for an adult.

Our fill also has a broader definition of individuals with long-term care needs. The President's proposal includes individuals who require assistance to perform activities of daily living (bathing, dressing, eating, continence, toileting, and transferring in and out of a bed or chair). This is a good start but may not include people with severe mental health disabilities or developmental disabilities who cannot live independently. Our bill does help the caregivers of these people.

Finally, our bill limits the amount of the refund for those less in need of financial support. The full refund is available up to incomes of $110,000 for a joint return, $75,000 for an individual return, and $55,000 for a married individual filing a separate return. Above these levels, the refund is decreased by $50 by every $1,000 over the threshold level, and is phased out above $130,000 for a joint return and $95,000 of an individual return.

The need for long-term care will continue to grow as the average age of Americans increases. By 2010, those children born in 1945 will begin to retire. According to a recent CBO report, in the year 2010 there will be 40.6 million people over the age of 65—a 14 percent increase from the year 2000. The trend will continue. By 2040, there will be 77.9 million people over the age of 65, 118 percent more than in 2000. Indeed, the 85 and older age group is the fastest growing segment of the population.

This proposal will have significant effect on revenue, but given the size of the problem and in the spirit of compassionate government, it is a step that we can find a way to afford.

TRIBUTE TO DR. GEORGE VERNON IRONS, SR.

HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. ADERHOLT. Mr. Speaker, I want to celebrate the life of Dr. George Vernon Irons, Sr., distinguished professor of history and political science at Samford University, 43 years, distinguished professor emeritus, 22 years, who passed away July 21, 1998.

Dr. Irons was a record breaking champion athlete at the University of Alabama in the 1920's. Sportswriters described him as the "Ironman of Alabama, Crimson Machine and South's Premiere Distance Runner" for his remarkable athletic feats. His accomplishments have been heralded by legendary great, Paul Bear Bryant as "truly outstanding athletic achievements," and Coach Wallace Wade (three time Rose Bowl winner) as the "greatest distance runner of his day." In 1978 Dr. Irons was inducted into the prestigious Alabama Sports Hall of Fame on the first ballot—an honor achieved by only three men: Paul Bear Bryant, Ralph Shug Jordan and Dr. George Irons.

As Captain of the Alabama distance team, he broke the record for the B'ham Road Race (1923) by twenty seconds in a cold, hard driving December rain. Captain Irons record has never been equaled or broken. Irons was the Southern (S.I.A.A. now S.E.C.) champion of the 2, 3, 3½, and 4 mile events. He is the only University of Alabama track man—the only distance man—inducted into the Alabama Sports Hall of Fame—rare honors he holds over 30 years after the Hall of Fame's creation.

A Phi Beta Kappa honor graduate—Rhodes Scholar Nominee—he went on to earn his doctorate at Duke University, before joining Samford's faculty in 1933. Dr. Irons also distinguished himself in World War II, rising to the rank of colonel—with 33 years active and reserve duty—a Samford faculty record.

Mr. Speaker, over 50 Alabama cities have passed proclamations or resolutions honoring this admired Alabamian—yet another record for this remarkable Alabamian. I ask unanimous consent that Dr. Irons eulogy, delivered by his former student, Dr. James Moebes, senior minister, Mountain Brook Baptist Church, be included in the CONGRESSIONAL RECORD for America to share the life of this record breaking champion athlete for the Alabama Crimson Tide, distinguished university educator and valiant colonel, who defended his nation for a third of the 20th century in war and peace.

EULOGY FOR DR. GEORGE VERNON IRONS, SR. MOUNTAIN, BROOK BAPTIST CHURCH CHAPEL, JULY 27, 1998—DELIVERED BY DR. JAMES D. MOEBES, SENIOR MINISTER, FULL MILITARY HONORS

I am the Resurrection and the Life, saith the Lord. He that believeth in Me, though he were dead, yet shall he live. And whosoever lives and believes in Me, will never ever die. The Earth is the Lord's and the fullness thereof, The world and they that dwell therein, for He hath founded it upon the seas and established it upon the floods. Who shall ascend unto the hill of the Lord or who shall stand in His holy place. He that hath clean hands and a pure heart, who hath not lifted up his soul into vanity or sworn deceitfully, he shall receive his blessings from the Lord and righteousness from the Son of God of his own salvation. For reckoning that the sufferings of this present time are not worthy to be compared with that glory shall be revealed in us. Blessed is the man who walketh not in the counsel of the ungodly, or standeth in the way of sinners nor sitteth in the seat to the scornful. For his delight is in the law of the Lord and in that law doth he meditate, day and night. He shall be like a tree planted by the streams of water. He shall bring forth his fruit in due season; his leaf shall not wither; whatsoever he doeth shall prosper.

Dr. George Vernon Irons was born on the 7th of August, 1902, in Demopolis, Alabama. His father, Dr. Andrew George Irons, was a Presbyterian minister. His father came from the Shenandoah Valley, Virginia. He was a magna cum laude graduate, Washington and Lee University in Lexington, VA. As instructor, Supt., Marengo Academy, he taught, and was interested in young people. He was always on the lookout for those that showed promise. He ran across a student, a young man named Henry Edmonds. He knew that he had some ability. He sought out Henry's father. Talked with him about his son going to college, getting an education, becoming a leader. But Edmonds' father thought his son would make a good southern plowboy. Well, Revered Irons arranged to get a scholarship for Henry Edmonds. And we owe him a debt of gratitude. Henry later, Dr. Edmonds established Independent Presbyterian Church in Birmingham, Al—A wonderful congregation. Dr. Edmonds was a man of vision and leadership and he has acknowledged Rev. Irons as a source of his inspiration and motivation in his formative years.

Dr. Irons was one who also inspired people. When he entered the University of Alabama, he had never run in an organized race before. He said he sort of started running by accident. Because when he was a freshman, the upper class students—if they found out you were a freshman—would paddle you. And he said when they stopped you, you had one of two choices: either you lied or you ran. He said: "Now Don't ask me which one I chose—I did some of both." So he became a runner! When the train whistle would sound every day, he knew he had 10 minutes to get to class and he would dash across campus, from where he lived, near the University of Alabama's campus.

Well, from such beginnings, the became known as "The South's Greatest Distance Runner," and the "Knight of the Cinderpath." During my years at Alabama, I became familiar with their yearbook—The Corolla. In the 1923 Corolla, George Irons was referred to this way. These are quotes. He was captain of the track team, captain of the cross country or distance team, and this is what fellow students said about him: "One of the true greats of Alabama athletic history. An honor man in scholarship and a record breaking athlete. That's a real man! A scholarly Christian gentleman."

Would'nt it be wonderful to write in those terms today? "Scholarly Christian gentleman." They concluded: "He has no equal in the southland." Now, an interesting thing happened while a student. Coach Wallace Wade, head football coach, sent word to the track team, that he wanted them to scrimmage his football team. Now, this was the undefeated Rose Bowl team on which Johnny Mack Brown was all-American. When I was six or seven, Johnny Mack Brown was one of my heroes. I did not know he had been all-American at the University of Alabama. I thought he had just ridden horses all his life, shot pistols. Well, Dr. Irons never backed off a good challenge, so he fired over to the practice field. And they ran an endsweep, and Johnny Mack Brown was carrying the ball with only one man between him and goal line—George Irons. Irons took him on—one on one. And he stuck him good and he brought him to the ground.

Well, years later, in a routine examination, there was an x-ray, and his physician son—Dr. George, Jr.—said to him, "Dad, do you realize you have an old fracture in your collarbone?" Dr. Irons' thoughts raced back to that autumn afternoon, and he replied, "Yes, yes, I knew it was a little stiff for a couple of weeks, but I put him on the ground!"

A Phi Beta Kappa graduate, Dr. Irons taught at the University of Alabama from 1923–1925. Then earned his Ph.D. degree from Duke University, where he taught history from 1931–1933, before joining the faculty at Howard College—now Samford University. And I see his dear friends of Samford here—so many—even standing outside our chapel—here to pay respect to this beloved and admired Alabamian. Because of Dr. Irons—Samford is one of the finest universities in America.

Then World War II came along, and Dr. Irons served as colonel in the anti-aircraft battalion, defending New York on D–Day. The War Department asked him to write field manuals for anti-air-craft weapons and searchlights. Dr. Irons said he knew those manuals had to have fallen into the hands of the Japanese, and that's why they weren't able to shoot down a single allied plane.

Well, during his 43 years as a history and political science professor at Samford—chairman of his department 25 of those years—Dr. Irons taught seventeen students who became university presidents—more than any other university educator. He was a founding member of the Alabama Historical Society in 1947. Last year they celebrated their 50th anniversary here at Mountain Brook in this chapel. And I enjoyed sharing some precious moments with Dr. Irons—our last.

But I shall never forget, I met him in 1959. Thirty-nine years, I have known, admired and loved this man! I'll never forget how, when we started an examination, he would say, ''Now class, we want to have a little spread formation.'' So the class would spread out.

Some of you, he would say, might want to go into ''punt formation.'' Then he would call his questions out audibly. Getting down to questions 13 and 14, he would say, ''Now there were three Napoleonic battles in this era.'' And you'd think, ''Oh, my, I only recall two.'' Then Dr. Irons would say: ''Questions 13 and 14—you just name two. Two battles is all I want—just two. Well, classmates sighed, ''Thank you Lord, Thank you.'' So we answered 13 and 14. Then Dr. Irons said: ''Everybody ready? O.K., question 15—list the other battle.'' And students would pound their desktops.

Dr. Irons has a member of the Southern Historical Association, the Alabama Baptist Historical Association, the B'Ham-Jefferson Historical Association, and the John Forney Historical Association. He was past president of the Alabama Writers Conclave. Received a service plaque from the organization in 1977. He served as vice-president of the Alabama Academy of Science. Dr. Irons was awarded the George Washington Honor Medal from Freedom's Foundation at Valley Forge, PA, 1962. George Washington Honor Certificate in 1963. As director of Samford's Freedom Foundation project, the school received eighteen consecutive awards. An achievement unmatched by any other school or institution. Dr. Irons received the dedication of the Entre Nous—the university annual—on four occasions: 1941, 1960, 1969, and 1974, the student body's highest honor. No other has received that number.

Dr. Catherine Allen recalls Dr. Irons' leadership as chairman of the board of deacons at Rhuama Baptist Church during her years there. Dr. Tom Camp recalls his loyal service at Southside Baptist—as a member, Sunday school teacher, deacon and lifetime deacon—a beloved member there.

He was preceded in death by the love of his live—Velma—distinguished educator in her own right. Many folks don't realize that Dr. Irons was a distinguished member of the Alabama Sports Hall of Fame. Only Samford faculty man ever inducted. Only three have been elected to membership in the Alabama Sports Hall of Fame on the very first ballot in the history of that organization: Paul Bear Bryant, Ralph Shug Jordan and Dr. George V. Irons. They will miss him indeed at those gatherings.

He became a distinguished professor of history and political science, emeritus, 22 years of total service to Samford—65 years—a record. He was a gentle spirit—a gentle man. For me, like many of you—he was a mentor. The primary reason I minored in history. His lectures were so captivating, instructive yet entertaining. I'll always be grateful for a copy of his hand-written testimony—he shared that personal testimony wherever he went. As you might guess for a noted sportsman, he entitled it: ''My Gameplan.'' It had three simple points. The first was: I have faith in God. He had under that particular point made reference to a hymn—''Awake My Soul—Stretch Every Never.'' Listen to the runner's heart and soul in this hymn: ''Awake, my soul, stretch every nerve, and press with vigor on! A heavenly race demands thy zeal, and an immortal crown and in an immortal crown. A cloud of witnesses around, hold thee in full survey, forget the steps already trod, and onward urge thy way, and onward urge thy way, blest Saviour, introduced by Thee, have I my race begun, and, crowned with victory, at thy feet, I'll lay my honors down, I'll lay my honors down!''

He won 30 trophies as a record breaking champion athlete at the University of Alabama. None of those and all of them combined would not begin to have the meaning to him compared to the love of the Lord Christ. Have faith in God! Here was his second: Have faith in yourself. As a distance runner—you had better! And this is how Dr. Irons said it: ''When your helper is in you (not just with you) you cannot fail in all that really counts—regardless of this world's outlook and evaluation.''

Then, he concluded his personal testimony with this final point. III. Read the holy word. This is contact with your God. George Irons knew the Lord. I conclude with this part of the scripture. Do you not know, have you not heard, the Lord is the everlasting God, the creator of the ends of the Earth. He will not grow tired or weary. And His understanding, no one can fathom. He gives strength to the weary, and increases the power of the weak. Even youths grow tired and weary and young men stumble and fall, but those who hope in the Lord, will renew their strength, they will soar on wings like eagles, they will run and not grow weary, they will walk and not faint.

Thank You God—for George Vernon Irons. His wonderful, wonderful family—those who have known him best and loved him best. Who he has known best and loved so dearly. Holy Father, he has run with patience the race of life and he has brought the banner home. He has fought a good fight, he has finished his course, he has kept the faith. Thank Thee for what he has meant to every one of us. Thank Thee for George, Jr., thank Thee for Bill, grandson, great grandson—all the family. For the happiness they have shared together. For the joy they have known in life because of this wonderful man. Thank Thee for the many lives in which he has made a difference. Thank Thee, that he has taken that which was so very rough and polished a few of the edges, knocked off some of the sharp places, taught us a few lessons, and helped us to be on our way. Thank Thee for his wonderful Christian spirit—for that mountain of modesty at the center of his being, for that quick mind, for that winsome personality, for that wonderful wit. For those things in life in which he stood so very tall. Thank Thee for this Christian southern gentleman. Having shared some of life with him, may we be found the stronger for the living of life in these days. May his light always shine before us, that we would see his good works, but then glorify his father who is in Heaven. Thank Thee that he lives there now with Thee. Bless him and hold him close now and forever. In the name of the Father and of the Son and of the Holy Spirit, through Jesus our Saviour, we pray. Amen. For this Christian soldier who defended his nation for a third of the 20th century in war and peace we will close with the organ piece: onward Christian soldiers—as he requested. Please remember the words and how they related to the life of this admired and beloved Alabamian, as we stand together and depart.

THE COUNTY SCHOOLS FUNDING REVITALIZATION ACT OF 1999

HON. ALLEN BOYD

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. BOYD. Mr. Speaker, yesterday, along with my colleague Representative NATHAN DEAL, I introduced H.R. 2389, the ''County Schools Funding Revitalization Act of 1999.'' This legislation is based on principles that were part of a compromise agreement reached by the National Forest Counties & Schools Coalition. This bill is significant because it was developed not by a ''Washington knows best'', top-down approach, but rather through ''a home-grown'', bottom-up approach that has finally reached a consensus. This unique coalition includes over 500 groups from approximately 32 states including school superintendents (including Hal Summers, School Superintendent of Liberty County, Florida Schools), county commissioners (including the Columbia County, Florida Board of County Commissioners), educators, several labor groups, the National Educational Association and the U.S. Chamber of Commerce.

In 1908, the federal government recognized that counties with federal lands were at an economic disadvantage since the federal government was the dominant landowner in many of these communities and therefore these counties were powerless to tax these lands. Recognizing this, Congress entered into a compact with rural forest communities in which 25% of the revenues from National Forests would be paid to the states for impacted counties in compensation for their diminished local property tax base. By law, these revenues finance rural public schools and local road infrastructure. As one can imagine, these counties relied heavily on this revenue for education and infrastructure.

However, in recent years, the principal source of these revenues, federal timber sales, has been sharply curtailed due to changes in federal forest management policy, and those revenues shared with states and counties have declined precipitously. Payments to many counties have dropped to less than 10% of their historic levels under this compact. This impact on rural communities and schools has been staggering. The decline in shared revenues has severely impacted or crippled educational funding, and the quality of education provided, in the affected counties. Many schools have been forced to lay off teachers, bus drivers, nurses, and other employees; postpone badly needed building repairs and other capital expenditures; eliminate lunch programs; and curtail extracurricular activities.

Rural communities have also suffered from severe economic downturns causing high unemployment, domestic violence, substance abuse, and family dislocation. They are finding it difficult to recruit new business and to meet the demands of health and social issues associated with the displacement and unemployment. Finally, local county budgets have also been badly strained that communities have been forced to cut funding for social programs and local infrastructure to offset lost 25% payment revenues.

This issue has had a significant impact on a large portion of the congressional district that I have the honor of representing in the House, which is the Second Congressional District of Florida. It is a largely rural district in Florida's panhandle that encompasses 19 counties and two national forests, the Apalachicola and the Osceola. On May 18, 1999, Hal Summers, Superintendent of Schools in Liberty County, Florida, testified before the House Agriculture Subcommittee on Department Operations, Oversight, Nutrition, and Forestry about the various effects that the loss of timber revenue from the Apalachicola National Forest has had on the children of Liberty County.

Liberty County is a rural county with a population of about 7,000 including 1,300 schoolchildren. That is the smallest county population of schoolchildren in the entire state of Florida. It has a total land area of 525,000 acres, 97% of which is forested, with half of that owned by the U.S. Forest Service within the Apalachicola. Until recently, the forest was the mainstay of a strong local forest product-based economy, and through sharing 25% of the revenue from timber sales, provided substantial support for the local schools and government.

In 1989, the Forest Service began to manage its land in a different way, mostly to protect the habitat for the endangered red-cockaded woodpecker. It is interesting to note that Liberty County has the only recovered population of this bird in the world. Perhaps the most significant thing about these changes is not the decline in harvest, but rather the fact that in 1998 the net annual growth of timber on the Apalachicola National Forest was about 800% greater than the volume harvested. The sawtimber growth is approximately 50 times greater than the volume harvested.

The effects of timber harvest reduction on forest revenues to the 4 counties and schools districts within the Apalachicola is that the 25% payments have declined in value from a 1987–93, 5 year average (in 1998 dollars) of $1,905,000 to $220,000 in 1998; a loss of 89%. Due to this reduction, the Liberty County School District was forced to take several painful steps. These steps included reducing school staffing by 11 positions out of a total of 151; increasing the average class size from 23 to 28 students; discontinuing the enrichment programs in health, computer education, and humanities; discontinuing vocational programs in industrial arts, small engine repair, and electronics (80% of the graduates do not attend college); curtailing the school media center; eliminating certified art and music teachers from the elementary school staffs; reducing the Pre-K program, formerly the only program in the state to serve all four-year olds; and terminating a new program in technology acquisition, which would have placed the county on par with other Florida school districts.

The impacts on county government have also been very significant. The County road crew was reduced from 23 to 18 positions. This staff reduction, plus equipment obsolescence and the inability to purchase needed supplied and materials, has resulted in the deterioration of the rural road system. In 1994, the County was forced to float a $1,780,000 bond issue in order to meet current road needs. It is unclear how the county will meet its future road responsibilities in the absence of a substantial increase in the 25% payments from timber sale receipts. County employees suffered a 10% salary cut, which was partially restored following the imposition of a 1% local option sales tax and 7 cents per gallon gas tax. Finally, the Sheriff's Office and Emergency Medical Service have been forced to curtail hours and reduce services. As a result of this action, Liberty County remains the only county in Florida without an advanced life support system as part of the county emergency response organization.

However, the most far-reaching and devastating impact of these declining revenues is the adverse effect on the future of our children. An education system crippled by such funding cuts cannot train our young people in the skills needed to join tomorrow's society as contributing, functioning citizens.

In 1993, the Congress enacted a law which provided an alternative annual safety net payment system for 72 counties in the northwest region of the country, where federal timber sales had been restricted or prohibited to protect the northern spotted owl. This authority for the 1993 safety net program will expire in 2003. No comparable protection has been provided for the other 730 counties across the nation which receive forest payments. An equitable system of payments for all forest counties nationwide is needed to protect the ability of these counties to provide quality schools and roads and to allow the federal government to uphold its part of the compact.

It is clear to me that the compact of 1908 is broken and needs to be fixed immediately. That is why I have introduced the County Schools Funding Revitalization Act of 1999. H.R. 2389 contains two main provisions. First, it would restore stability to the 25% payment compact by ensuring a predictable payment level to federal forest communities for an interim 5-year period. This temporary five-year payment program would be based on the average of the three highest payments received by a state in fiscal years from 1985 until this bill is enacted. This is obviously a necessary step to arrest the current destructive downward spiral. Secondly, the bill requires the federal government to collaborate with local community and school representatives as part of the Forest Counties Payment Committee to develop a permanent solution that will fix the 1908 compact for the long term.

There are other options that have been proposed to address this problem, from decoupling forest receipt payments from forest management activities to legislating or mandating timber harvest. My view is that the welfare of schools and county governments cannot be artificially disconnected from the economic stability and social vitality of rural counties. I do not feel that either one of those options is a starter in this Congress. However, I truly believe that the consensus compromise that H.R. 2389 represents is the one possibility that could be passed.

We, the federal government, must fulfill the promise made to these communities in 1908. In the part of the country where I come from, a man's word is his bond. Together, we can fix the compact and restore long-term stability to our rural schools and governments and the families that depend on them.

AIDS EPIDEMIC IS CRISIS IN SOUTHERN AFRICA

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Ms. DELAURO. Mr. Speaker, I want to draw the attention of my colleagues to the AIDS epidemic which sub-Saharan Africa faces today. In all, 11.5 million people have died in sub-Saharan Africa since the disease emerged in the 1980's, and 22.5 million people now living with the HIV virus are expected to die in the next ten years. By the end of 1997, at least 7.8 million children in this area of Africa alone were left orphans by the age of 14 due to AIDS.

I am submitting for the RECORD these articles from the May 29th issue of the USA Today, which detail the problem.

[From the USA Today, May 24, 1999]

TIME BOMB SOUTH OF SAHARA—U.S. URGED TO CONFRONT REALITY: 20% COULD DIE

(By Steve Sternberg)

SOWETO, SOUTH AFRICA.—When the AIDS virus detonates in this black township of 3 million in a decade or so, the disease will wipe out about 600,000 souls—almost six times as many people as the atomic bombs killed in Hiroshima and Nagasaki.

But unlike a nuclear blast or world war, the AIDS crisis is an explosion in slow motion, a creeping chain reaction with no end in sight. There is no sound, no searing heat, no mushroom cloud, no buildings reduced to rubble. Just one mute death after another.

Sandra Thurman has come here—to the country where AIDS is spreading faster than in any other on Earth—to break that silence.

Director of President Clinton's Office of National AIDS Policy, Thurman hopes to bring home to the American people and to Clinton the immensity of the crisis in South Africa and the other countries south of the Sahara that form the epicenter of AIDS.

To this end, Thurman and a small team of U.S. officials recently traveled through South Africa and three other countries at the heart of Africa's AIDS epidemic: Zambia, Zimbabwe and Uganda. A USA TODAY reporter and photographer accompanied them to document the ravages of what is now the No. 1 cause of death in Africa.

In all, 11.5 million people have died in sub-Saharan Africa since the epidemic emerged in the early 1980s, and 22.5 million now living with the virus are expected to die in the next 10 years, according to UNAIDS, the United Nations' AIDS agency.

Staggering as the numbers are, Thurman believes that the sub-Saharan epidemic has been met with indifference by Americans and, to some extent, by their government, which spends $74 million a year on AIDS programs in the region. In contrast, Congress this month voted to spend $1.1 billion to assist roughly 750,000 Kosovo refugees.

''When you're looking at whole generations of adults and children in jeopardy—we ought to be able to hold hands and sing Kumbaya around that,'' Thurman says. ''We can't do anything if we can't do this.''

To gauge the social and political costs of AIDS here, Thurman visited cities and shantytowns, orphanages and hospitals, taking in scenes from an epidemic.

One of Thurman's first stops was at the Javabu clinic, headquarters of the Soweto

Project—an effort to unite medical care, social support and AIDS prevention.

The project is the brainchild of Mark Ottenweller, 10 years ago a prosperous internist in a leafy suburb of Atlanta. Today, at 47, he works in Johannesburg as a medical director of Hope Worldwide, the relief arm of the International Church of Christ.

The clinic is housed in a small cluster of brick buildings on a broad lawn, bordered by the brilliant splashes of jacaranda and bougainvillea. To its beneficiaries, it's a lifeline.

Mary Mudzingwa, 35, mother of Chipo, 9, and Gift, 5, credits the Soweto Project for helping her adapt to life with HIV.

''I lost may job. I lost a place to stay. Now I stay with friends, but there's no toilet, no water. Maybe that's why my 9-year-old is always sick.''

She says that one of the most difficult things about having the virus is the way it changes how people respond to you.

''Some people, I told them I am HIV-positive. They were afraid. I said, 'Don't be afraid. We look like other people.' ''

Many of the people Mudzingwa was preaching to probably are infected themselves, though they don't know it.

Ninety-five percent of HIV carriers in sub-Saharan Africa have not been tested because tests are in short supply and many people deny they are at risk.

Consider the men Ottenweller comes across a few days later, on an AIDS-prevention foray into the shantytown of Klipstown, near Soweto. They grow silent as Ottenweller approaches.

''I'm Dr. Mark,'' he says, half in Zulu, half in English. ''How many of you guys wear condoms?''

Quizzical smiles bloom on embarrassed faces. Half the men raise their hands; half seem indifferent. ''I never use a condom,'' one man says defiantly. ''I stick to one partner.''

''But does she stick to you?'' the doctor asks. ''Come see me at the clinic when you get sick.''

''Ten years from now, one-fifth of these people will be dead,'' Ottenweller says later. ''HIV is going to hit this place like an atom bomb.''

Tests of women in prenatal clinics, a group believed to reflect the infection rate in the general population, show that at least one of every five people in South Africa, Zimbabwe, Zambia and Botswana is infected with the AIDS virus.

That means those nations stand to lose at least one-fifth of their populations, a death toll that rivals the Black Plague in Medieval Europe.

In some places, the infection rates are much higher.

In South Africa, between 1991 and 1997, the infection rate on average soared from 2% to almost 18%. And in South Africa's most populous province, KwaZulu-Natal, the rate has reached 37%.

Alan Paton, in the classic 1948 novel Cry, the Beloved Country, described the province's rolling green hills as ''lovely beyond any singing of it.'' Those lovely jade hills outside Pietermaritzburg are still there.

But there also stands a massive brick building that is overflowing with human misery beyond any lamenting of it.

The building is a hospital known as Edendale.

During apartheid, it was for blacks only. That soon will change, as part of a massive South African health reform program under way.

For now, the battered wooden benches lined up in corridors and the large anterooms in the hospital's wards are packed with black people. Some are waiting to deliver babies—8,000 are born here each year, although there is just one obstetrician on the staff.

On average, 20 children are admitted to Edendale each day. More than 60% are infected with the AIDS virus, says pediatrician Johnny Ahrens, and they often are brought in by their grandmothers or aunts because their mothers have died.

The nurses in the pediatric HIV ward, once accustomed to returning children to health, now are so over-whelmed with dying infants that they are on the brink of cynicism.

Many nurses, Ahrens says, are beginning to think: ''If there's nothing you can do to help, why bother? It's just one more dying child.''

Ahrens himself is furious because he thinks the government should have done something, anything to stop HIV before it took hold.

''We all knew that HIV was going to hit South Africa. It was coming down through Africa like a red tide. People were trying to warn us. But nothing ever happened.

ZAMBIA: THE CRADLE OF AFRICA'S ORPHAN CRISIS

LUSAKA, ZAMBIA.—Fountain of Hope resembles nothing so much as a refugee camp for children. And it is nearly that for 1,500 of the 128,000 orphans who live on the streets of this lush capital, with its broad boulevards and spreading trees.

This informal day school in a shabby recreation center downtown was the first stop outside South Africa for Sandra Thurman, the White House's top AIDS official, on a recent fact-finding mission to see the AID's crisis in Africa.

Each morning, the youngest victims of AIDS, ranging in age from 3 to 15, straggle in from the streets. They don't come for the books or the playground or the toys. There aren't any. And there's nothing distinctive about the rec center, built of unadorned concrete.

They come because it's better to be here than in the lonely streets, where food is scarce and companionship often involves sex with an older child. Here volunteers teach reading, arithmetic and music. And there's food—though only every other day.

Zambia once was one of he richest countries in sub-Saharan Africa. It supplied copper for the bullets the United States used during the Vietnam War.

Now this country of 11.5 million is one of the poorest—and bears the distinction of having one of Africa's largest orphan populations. In 1990, Zambia had roughly 20,000 orphans. By next year, says UNAIDS, the United Nations' AIDS organization, there will be 500,000.

''The numbers of orphans are increasing by the day,'' Zambian President Frederick Chiluba tells Thurman. ''Street kids are everywhere, and we don't have the funding to care for them.''

And they're not just concentrated in the cities. For example, the shantytowns called St. Anthony's and Mulenga's compounds, in Kitwe near the Congolese border 150 miles from Lusaka, have huge numbers of orphans—about 20% of each town's 10,000 residents.

Eventually, many orphans find their way here to Lusaka.

In 1996, when the Fountain of Hope school started, there were 50 children, outreach coordinator Goodson Mamutende says. Just three years later, 30 times that many attend classes in two shifts. Fountain of Hope staffers estimate that half the children have been abandoned; the other half have lost parents to HIV.

And with 700 HIV-related deaths each week in Lusaka along—a number so large it has caused weekend traffic jams and day-long waits in the cemeteries—the number of orphans and abandoned children continues to multiply.

Dirty-faced, wearing the cast-off clothes that are their only possessions, the children eagerly cluster around a makeshift blackboard to learn arithmetic and the alphabet. They learn to sing in unison, acting out the songs enthusiastically. ''Fight child labor with an AK 47,'' they shout, thrusting their arms as if they were firing guns.

Nicholas Mwila, 23, who has written the words for many of their songs, is the art director.

''I take them as they are, the way I find them,'' he says. ''I want them to dress as they do on the street. I don't encourage them to take a bath.''

These ''gutter kids,'' Mwila says, project a message to Thurman and the visiting foreigners: ''The problem is real.''

After school, when they return to the streets, the children beg, steal and, in many cases, sell sexual favors for food. At night, they sleep in culverts along a thoroughfare called Cairo Road.

Most prized, especially in winter, are the culverts across from a gas station. On cold nights, volunteers say, the children fight the chill by getting high on gasoline fumes or on methane inhaled from bottled, fermented excrement.

Jack Phiri, 14, traveled 150 miles to Lusaka from Ndola, in the copper belt, where statistics show that 46% of young pregnant women are infected with HIV.

Jack says his mother died in 1996 of tuberculosis—the leading killer of people with AIDS in Africa. He says he doesn't know what killed his father; staffers at Fountain of Hope are convinced the culprit was HIV.

Fiddling with the ragged edges of his cut-off jeans, Jack says he has lived on the streets since 1997. His brother has been taken in by relatives and has vanished from Jack's life. The ''auntie'' who took Jack refused to feed him and made him sleep outside her hut. So he stowed away aboard a train and ended up here.

The other kids in the street told him about Fountain of Hope.

''I like being here because I can go to the school,'' he says. ''And they give you food.''

Asked whether he remembers what it's like to have a family, Jack's eyes flood with tears. ''He cries very easily,'' Fountain of Hope staffer Rogers Mwewa says. ''He hasn't developed the survival skills of most of the other kids.''

When he grows up, will he have a big family?

''I don't know if I'll live that long,'' Jack says.

Jack spends most of his nights sleeping near fast-food restaurants on Cairo Road. After dark, children clog the sidewalks, chasing anyone who might be persuaded to part with money for food.

One night recently, staffers from Fountain of Hope and an official from the Dutch Embassy dug into their pockets for money to feed 78 starving children.

Buoyed by the prospect of a meal, the children waited patiently on the sidewalk while an older child counted them. Tomorrow night, they knew, they might not be so lucky.

THE EPICENTER OF AIDS—UGANDA: DEADLY TRADITIONS PERSIST AMID PROGRESS, VACCINE TEST

(By Steve Sternberg)

KAMPALA, UGANDA.—Tom Kityo, the tall, animated manager of the AIDS Service Organization, stands before a map of his country, gesturing to one area after another, railing about the traditions that spread HIV.

''Here,'' Kityo says, ''The groom's father can have sex with the bride, and that's accepted. Here, other clan members may have sex with someone's wife, and no one says anything.''

Kityo blames these and other cultural practices for much of Uganda's AIDS problem. It's a situation that, while showing great improvement, still is marking this country with tragic consequences.

A year ago, U.S. officials estimated that 10% of Uganda's 20 million people are HIV-positive—with 67,000 of those infected younger than 15.

Nearly 2 million people have died nationwide since what some call ''slim disease'' emerged here in 1982, leaving thousands of orphans. Government statistics suggest that 600,000 children have lost one parent—and that 250,000 have lost both parents—to AIDS.

''We are fighting a lot of complex problems,'' Kityo says. ''There are wars, cultural beliefs, a gender imbalance—these are very difficult things to change.''

But change is under way in Uganda, which has done more than almost any other country in the world to slow the spread of HIV.

The evidence lies no farther away than a palm-shaded hilltop above the crush of populous Kampala, inside a sprawling white stucco compound enclosed by a tall white wall.

Once it was part of the palace of the Bagandan king, now a largely ceremonial figure whose domain straddles the equator and borders the legendary source of the Nile.

Today it serves a vastly different purpose.

Known as the Joint Clinical Research Center, it is the site of the first HIV vaccine trial in Africa.

On Feb. 8, a nurse guided the first hypodermic into a volunteer's arm—the first of 40 in the trial. The man, whose name was withheld to protect his privacy, isn't just anybody.

He is a medical orderly on the staff of Ugandan President Yoweri Museveni, the most outspoken of the world's leaders on the threat posed by HIV.

Museveni's AIDS awakening came in 1986. Some after he seized power from dictator Milton Obote, Museveni get a call from Cuban military authorities who were training Ugandan troops. They told him that 25% of the men had HIV.

For Museveni, fresh from a civil war, the news was alarming. An army hobbled by disease can't fight, and Museveni had yet to consolidate his power. By the end of 1986, he had established the nation's first AIDS Control Program.

Museveni also issued an international call for help from AIDS researchers and public health organizations. And he declared his intention that Uganda play a key role in any African AIDS vaccine trials.

Five years ago, Museveni's prevention efforts began to pay off. Behavior surveys showed that Ugandans were reporting fewer casual sex partners, more frequent condom use and longer delays before young people became sexually active.

More recent studies of pregnant women demonstrate that infection rates have begun to drop. In Kampala, the infection rate among 15- to 19-year-old women fell to 8% in 1997 from 26% in 1992.

But traditional practices still exact a steep toll. Indeed, they cost Justine Namuli her life. Today, in a small family graveyard in a village two hours from Kampala, she will be laid to rest.

Hillary Rodham Clinton met Namuli, then 25, two years ago while visiting Uganda.

During the visit, Clinton planted a tree to commemorate the opening of the AIDS Information Center's headquarters. There, Elizabeth Marum, a former director of the information and HIV testing center, introduced Namuli to Clinton and Ugandan first lady Janet Museveni. ''Justine was so beautiful,'' Marum says. ''And so excited to meet Mrs. Clinton.''

Clinton and Museveni listened as Namuli told her life story.

In Bagandan tradition, Namuli said, she was ''heir to her aunt,'' meaning she was to take her aunt's place if anything happened to her.

When her aunt died of tuberculosis, Namuli was forced to drop out of school, marry her uncle and care for his children. She was 16.

At the time, she didn't know that her aunt was infected with HIV or that her uncle was infected, too. Eventually, Namuli's husband died, but not before he infected her. She, in turn, unwittingly infected one of her two sons.

Namuli quickly sought an HIV test at the information center. Learning that she was infected, she joined the Post-Test Club, a support group that emphasizes safe sex, good nutrition and ''living positively.'' And she joined the Philly Lutaya Initiative, an AIDS education and prevention program named for a local rock star who acknowledged publicly he was HIV-positive—the Magic Johnson of Uganda. Like others in the group, Namuli spoke out about HIV and how to guard against infection.

''Imagine what this girl has gone through,'' Marum says. ''Her mother died of AIDS. Her aunt died of AIDS. Her husband died of AIDS, and for 10 years she lived with the knowledge that she was HIV-positive.''

About a dozen information center staffers and volunteers pile into two four-wheel-drive vehicles for the two-hour drive to Namuli's funeral.

The little caravan drives down the truck route, the TransAfrica Highway, connecting Mombasa, Kenya, and Kinshasa, in the Democratic Republic of the Congo.

The highway, which runs across southern Uganda, has spread AIDS here, too: The truckers carried HIV from one end of the road to the other, stopping regularly for paid sex with women who needed the money to feed themselves or their families. The women infected their boyfriends and husbands, who infected their wives and girlfriends.

Today, the villages along this road are outposts in an AIDS wasteland, peopled almost entirely by grandparents and children. The middle generation lies in village graveyards.

One grandmother, Benedete Nakayima, 70, says she has lost 11 of her 12 children to HIV—six daughters and five sons. She now cares for 35 grandchildren with the help of her surviving daughter.

At the Namuli funeral, Marum reads a letter from the U.S. first lady, wishing Namuli a speedy recovery.

Sandra Thurman, the Clinton administration's top AIDS official, who is visiting here in her last stop in a tour of four sub-Saharan countries assaulted by AIDS, was to have delivered the letter to Namuli's bedside at Mulago Hospital on Feb. 7.

She was too late.

Namuli died of pneumonia two days earlier—because Mulago Hospital lacked a working oxygen compressor that might have helped her through her respiratory crisis.

Her two sons, Moses, 5, and Isaac, 7, have joined the ranks of Uganda's orphans.

''We are going to sing a song of thanks that she died in Christ,'' says the preacher, wearing a black suit in bold defiance of the searing midday sun. He consults a hymnal that has been translated into Lugandan, the Bagandans' native tongue. He leads almost 100 men, women and children in Jesus, I'm Coming.

Soon, it is Lucy Mugoda's turn to speak.

Mugoda, one of Namuli's co-workers at the information center, wastes no time on platitudes or prayers. She has a message: HIV holds no respect for tradition; it seeks simply to perpetuate itself through any means possible.

Namuli died, Mugoda says, not because she was promiscuous or willfully engaged in risky behavior, but because she accepted her traditional obligations as ''heir to an auntie.''

''Let her death serve as an example that not all the old traditions are good,'' Mugoda says.

''This tradition is death.''

HEALTH OF THE AMERICAN PEOPLE

SPEECH OF

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 30, 1999

Ms. PRYCE of Ohio. Mr. Speaker, I rise today to add my voice to those who seek to raise awareness about the importance of biomedical research to call attention to the invaluable benefits of biomedical research and to the necessity of making a sustained, significant commitment to research efforts at NIH, our nation's premier research institution. I encourage all of my colleagues to join me in supporting a doubling of the National Institute of Health's budget, including the budget of the National Cancer Institute, over five years.

The Federal investment in cancer research makes sense and saves dollars by unlocking the answers to how cancer is best detected, treated, and prevented. These answers will reduce health care costs and save lives. The costs, both human and economic, of cancer in this country are catastrophic. The human costs in terms of lives lost are immeasurable, and the economic costs exceed $107 billion annually. Our national investment in biomedical research is the key to containing spiraling health care costs, as every $1 invested in research saves $13 in health care costs. Yet, the amount we invest in cancer research today is equal to only 2 percent of the health care costs attributable to cancer. And while cancer is a greater threat than ever, only 31 percent of approved cancer research projects receive funding. Our goal should be to quicken the pace of research by funding at least 45 percent of research initiatives. A much more aggressive effort is required to combat cancer and to reduce human suffering and lives lost to the many forms of this devastating disease.

According to a 1994 NIH report, approximately $4.3 billion is invested in clinical and

translation research, which means $9.3 to $13.6 billion is shaved off annual health care costs. As a result of a research investment of $56 million over 17 years, $166 million is saved annually in the care of testicular cancer, a 91 percent cure rate has been achieved, and life expectancy has increased by 40 more years. And, a research investment of $11 million in the management of breast cancer has saved $170 million annually in breast cancer treatment.

More cancer research could prevent cancer, save more lives, and benefit the economy, as well. Eighty-five percent of the National Cancer Institute's (NCI) budget creates jobs and funds researchers across the country. And NCI research provides the foundation for innovative new cancer drug development—316 new medicines were in development last year. Since 1993, the number of cancer drugs in development has increased 155 percent.

More biomedical research at NIH overall is critically important. Indeed, the sharing of medical innovations across scientific and medical disciplines benefits all research. For example, AIDS research has advanced cancer research and research on maternal health has been applied to arthritis research.

Research pays for itself many times over by creating American jobs, supporting U.S. businesses, and strengthening the U.S. economy. Notably, NIH-funded research generates $17.9 billion in employee income and over 726,000 jobs in the pharmaceutical, biotechnology, and medical fields. Overall, NIH-funded research contributes $100 billion annually to the American economy.

Doubling the budget of the NIH and the NCI will enable extraordinary opportunities for research success and real progress in cancer prevention, detection, treatment, and survivorship. To make a real difference in the lives of the 1 in 2 American men and 1 in 3 American women who will develop cancer over his or her lifetime, we must dramatically increase our Federal investment in cancer research.

TRIBUTE TO AMBASSADOR YORAM BEN-ZE'EV

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. SHERMAN. Mr. Speaker, today I rise to honor Ambassador Yoram Ben-Ze'ev as he steps down as Consul General of Israel in Los Angeles and is promoted to Deputy Director General for North American Affairs in the Foreign Ministry of Israel.

It is not often that a member of this House rises to pay this high honor to a foreign diplomat. As one of the most effective diplomats and committed servants assigned to represent his country in the United States, Yoram Ben-Ze'ev is one truly worthy of this distinction.

Throughout his career, he has worked to improve relations between Israel and other nations, serving from Hong Kong, to the Foreign Ministry in Jerusalem, to Los Angeles. Ambassador Ben-Ze'ev has served since 1993 as the Deputy Director General for the Middle East Peace Process; and since 1995 as Consul General, based in Los Angeles and responsible for the Western States.

He has been intimately involved in the peace process negotiations which have transformed Israel's relations with the world. All the while, he has effectively ensured that the people of the Western United States can do business with Israel, travel to that country, and understand its rich culture and history. He has done much to strengthen the relationship between the United States and Israel.

As Israel looks to this next and most critical phase of the peace process, Ambassador Ben-Ze'ev will no doubt once again provide exemplary service to his country, contribute to its security and stability, and strengthen the US-Israel partnership.

Once again, Mr. Speaker, distinguished colleagues, please join me in honoring this most distinguished diplomat and public servant for his tireless work on behalf of friendship between the Israeli and American people. Let us extend our best wishes to Yoram and his wife, Iris, as they return to Israel.

THE TOWN OF WAWAYANDA SESQUICENTENNIAL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. GILMAN. Mr. Speaker, I call to the attention of our colleagues an agrarian Town in my District that is rich in heritage and tradition. These fine qualities and the town's deep rooted 150 year history will be acknowledged on August 7th at the Wawayanda Sesquicentennial Celebration.

Located in Western Orange County, the town of Wawayanda is comprised of 22,000 acres or 33.6 square miles of land. This land supports Wawayanda's thriving farm production. Seeded in New York's fertile "Black Dirt Region" and surrounded by the Wallkill River and the Indigot and Rutgers Creeks, Wawayanda has established itself throughout it's 150 year history as one of New York's finest farming towns. Wawayanda provides a generous amount of natural resources such as dairy products, grain and vegetable crops, lettuce, pumpkins and onions.

Also being celebrated is the Town's deep rooted heritage. This including historic buildings and museums that go back to the early 1800's. The Dolson family, the Gardner family and the Davis family are just a few of the early settlers immortalized in the Town of Wawayanda. Wawayanda maintains is storied heritage in the buildings and town areas that carry the names of those who originally settled there. Many of these people colonized Wawayanda just after the Revolutionary War. The first town census in 1855 totaled at 2,069. Today Wawayanda boasts a population of 5,518.

Wawayanda also boasts a great commercial asset in Interstate Route 84. Route 84 acts as a commercial crossroads, plugging Wawayanda into surrounding towns as well as both Pennsylvania to the west and New England to the East. Route 84 is an exceptional asset to the economy of Wawayanda. It provides a means of farm export and opens other areas of New York. This road enables the beautiful Town of Wawayanda to share its assets with others. People can travel Route 84 to experience Wawayanda's lush landscapes and surrounding waterways. Route 84 opens up the beautiful Town of Wawayanda, enabling it to be experienced by others.

Congratulations on this day should be given to those who made the Sesquicentennial possible. The efforts of Town Supervisor Thomas De Block, his Town Council, and the Sesquicentennial Committee should all be commended. If not for these people's pride and dedication to their town the celebration of this Town's history would not have been possible. Their efforts are indicative of the pride and tradition that makes this Town so special.

Accordingly, I invite my colleagues on August 7, 1999, to recognize the Town of Wawayanda in New York State for its 150 years of rich tradition and excellence in America.

CONTINUING CRISIS IN KASHMIR

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. MCCOLLUM. Mr. Speaker, I rise today to express my concern for the ongoing conflict in the Kashmir region of India. This crisis is nearing a turning point for which the outcome is far from being clear. It is extremely important that in addressing this turning point, the United States should act pursuant to its own national and strategic interests rather than succumb to the allure of simplistic short-term "arrangements."

The conflict in Kashmir has been unfolding for nearly two months now. The Kargil crisis erupted in early May when the Indian Army discovered the infiltration of Pakistani regular troops and an assortment of ISI-sponsored Mujahideen into the northern parts of Indian Kashmir. From these captured positions, the Pakistani forces were close to being able to disconnect India's national highway—the blood line to the country's uppermost northern regions. In the fighting that has since ensued, the Indian Army was able to first contain the infiltration and then doggedly evict the Pakistani forces from positions inside India. This fighting, conducted in the extremely rugged and high-elevation terrain of the Himalayan mountains, still continues as Indian troops climb one mountain after another to dislodge the Pakistani forces sheltered at the peaks. The Indian government is determined, and rightly so, to evict all the infiltrators.

While taking place in a remote and desolate part of the world, the Kargil fighting is not conducted in isolation. In threatening the Indian national highway, the Pakistani intrusion has been of strategic significance—and so is its defeat. Therefore, the stakes are very high for both New Delhi and Islamabad. Indeed, fully aware of the explosive character of the Kargil crisis, New Delhi has instructed the Indian Army to operate only within Indian territory in removing the infiltrators, despite the military expediency of operating in the rear of the

enemy and a higher cost in Indian casualties due to frontal assaults on towering peaks.

Presently, with the fighting in the Kargil area stabilizing in India's favor, Pakistan is in dire need for a dramatic breakout to salvage some achievements from an otherwise doomed strategic gambit. Moreover, Beijing—Pakistan's closest ally and strategic patron that has its own territorial claims for parts of Indian Kashmir—is expressing growing interest in the outcome of the crisis. The People's Republic of China (PRC) is ready to intervene in the crisis in order to safeguard its own strategic interests.

In order to meet the prerequisites of such a breakout Pakistan has been pursuing a twin track policy:

On the one hand, Islamabad has been threatening the escalation of the crisis into a major war that, given the declared nuclear status of both protagonists, might escalate into a nuclear war. In order to ensure that Islamabad's threat of war is considered credible, the Pakistani Armed Forces have undertaken several steps since mid June. Pakistan put the Armed Forces on ''red alert'', sent the Navy out to sea, is moving military reinforcements to the border with India, parading units through the streets of cities and towns, is conducting civil and home defense exercises for the population, as well as deploying air defense forces to all airports and key civilian sites.

On the other hand, Pakistan, with Beijing's active support, has been raising the possibility of a ''negotiated settlement'' to the Kargil crisis. In these political initiatives, the Pakistanis stress the need to resolve the crisis before it escalates out of control and a major, and potentially nuclear, war erupts. In reality, Islamabad is desperate to extract tangible gains from the cross-border intrusion of its forces before they are defeated and evicted by the Indian Army. And it is in these circumstances that the proposed negotiated solutions for the Kargil crisis are being offered.

The most popular ''package deal'' which the Clinton administration seems to favor at this juncture calls for Islamabad's quiet an un-acknowledged withdrawing of the Pakistani troops in return for the opening of an international negotiations process over the entire Kashmir problem. Such dynamics, the deal's proponents tell us, will provide Pakistan with a ''face-saving'' outlet out of the armed conflict before it escalates into a wider war.

However, there are many pitfalls in this approach. In all political discussions to-date, the Pakistani forces involved are still formally defined as ''militants''—thus absolving Pakistan of the formal responsibility for what can otherwise be termed an act of war. Further more, the mere international acceptance without challenge of the Pakistani excuse that these ''militants'' are operating in an area where the Line of Control (the Indo-Pakistani cease-fire line in Kashmir) is not properly delineated and that therefore these ''militants'' are actually on Pakistani soil, contradicts the 1972 Simla Agreement between India and Pakistan. This argument is therefore making a mockery of any such bilateral agreements at the very moment both New Delhi and Islamabad are being urged by the international community to negotiate and ultimately sign yet another agreement on the 'Kashimer problem.'' Then, the commonly discussed percept of the ''Kashmir problem'' refers to the conditions of the Muslim population living in the Kashmir valley. Thus, the negotiations will delve on the fate of the Indian held part of Kashmir even though India, Pakistan and even the PRC each controls wide segments of the British-era Kashmir.

Ultimately, international acceptance of these principles will reward Pakistan for its armed aggression and punish India for its self-restraint in evicting the intruders. Moreover, any political outcome in which Pakistan's interests are met will also reward Beijing. The PRC, one should note, has just tested in a major military exercise in nearby Tibet, a quick reaction intervention force optimized for the region's rugged terrain. Moreover, the new strategic posture at the heart of Asia that will emerge from these negotiations will serve as a precedent for similar aggressive wars-by-proxy that could then be repeated and adopted throughout the developing world to the detriment of the interests of the United States and its Western allies.

Mr. Speaker, in our pursuit to defuse a brewing crisis before it escalates into a war we should not ignore the overall enduring strategic interests of the United States. The United States does have long-term vital interests in Asia. Democratic and pro-Western India is a bulwark of stability in a region rife with such anti-U.S. forces and mega-trends as the hegemonic ascent of a PRC determined to become the regional supreme power at the expense of the United States, the spread of radical militant Islam and Islamist terrorism, as well as the acquisition of weapons of mass destruction and long-range delivery systems by rogue states. At the same time, free access to the energy resources of Central Asia is crucial for the long-term economic development of the United States, while the sea lanes of communications in the Indian Ocean sustain the West's commercial relations with East Asia.

Thus, any 'Kashmire'' agreement based on the principles mentioned above will weaken India, reward and encourage the anti-U.S. forces, and will thus adversely affect the long-term national interests of the United States.

It is, therefore, in the self-interest of the United States to pursue a negotiated process that will take into consideration the U.S. quintessential dynamics and interests in the region and will thus secure the American national interest. Such a process might take longer to define and be more intricate to attain. However, a genuine solution to such a complex problem as the Kashmir dispute will most likely endure future trials and tribulation. Thus, a genuine solution will ensure at the least a semblance of stability in a turbulent region that is of great importance to the United States. Congress should therefore encourage the Clinton administration to adopt such a principled approach to formulating the U.S. position toward the Kargil crisis. Congress should make sure the U.S. position does not reward aggression, challenge the viability of the principle that legitimate international agreements remain valid and not vulnerable to the sudden expediency of one signatory or another, and support the creation of a conducive environment for the genuine solution of the entire Kashmire problem—that of the areas held by India, Pakistan, and the PRC. Further more, we should congratulate the Indian government for the responsibility, maturity and self-restraint demonstrated in this crisis and encourage it to stay the course despite the mounting pressures.

TRIBUTE TO THE LATE GEORGE W. ''WILL'' GAHAGAN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. FARR of California. Mr. Speaker, today I would like to note the passing of a prominent American citizen, George W. ''Will'' Gahagan, who died in Carmel, California on December 8, 1998 at the age of 86.

Will was a man of broad interests, and notable achievements. He was well-educated, graduating in 1949 from Dartmouth, and worked as a newspaper reporter, federal public relations officer and foreign press liaison officer at the 1945 inaugural United Nations conference in San Francisco. Will attended Harvard during his graduate years, and in 1957 received his master's degree from Stanford University. During his Dartmouth years he met the poet Robert Frost, who was on the faculty, and later founded the California Friends of Robert Frost, non-profit organization that helped establish Frost Plaza in San Francisco, Mr. Frost's birthplace.

Will was an educator as much as he was a student. He taught English for 15 years at high schools, including Tularcitos, Junipero Serra High School and Santa Catalina School in Monterey. He also taught at an international school in Rome. His students benefited greatly from his tuteledge and enthusiasm for learning.

Will's contributions to Monterey County were as far-reaching as his range of interests. He wrote a column ''Word Wise'' for the Monterey Herald, produced and hosted a foreign affairs television program in Salinas, and wrote a guidebook about the Monterey Peninsula. He worked with many local organizations including the Carmel Foundation, the World Affairs Council, the Carmel City Planning Commission and the Carmel Library. Will helped create the Dennis the Menace Playground in Monterey, and helped raise $250,000 for the Robinson Jeffers Tor House in Carmel. He was a member of the senior and super-senior national tennis teams, successfully competing in tournaments in Canada and Europe. Will has been inducted into the Dartmouth College Athletic Hall of Fame.

No list of accomplishment can represent the generosity of spirit, the vitality, and the intelligence that Will demonstrated every day. Will is to be remembered as an exemplary human being. He is survived by his wife Lorna; his sons Michael and Mark; his daughters Tappy and Lissa; his brother John; and, seven grandchildren. He will be sorely missed by all who had the privilege of knowing him.

MR. JOHN TOPOLEWSKI AWARDED FRANCE'S KNIGHT'S CROSS OF THE FRENCH LEGION OF HONOR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. KAPTUR. Mr. Speaker, I rise with great pride to honor a 104 year old veteran in my district. John Topolewski was awarded France's Knight Cross of the French Legion of Honor on Wednesday, June 16, 1999 in Toledo, Ohio. The Knight's Cross is the highest award given by France to citizens of other countries. The award was presented to Mr. Topolewski by France's Consul General Alain de Keghel, the second ranking French official in the U.S., in front of a replica of the troop train which transported U.S. troops to France in World War I. Mr. Topolewski was one of those ''Doughboys' and a member of the 82nd Infantry Division. The nation of France has bestowed the Knight's Cross upon John Topolewski for uncommon valor in the trenches as he fought in the United States Army during World War I.

The Greek historian Thucydides wrote ''remember that this greatness was won by men with courage, with knowledge of their duty, and with a sense of honor in action . . . but the bravest are surely those who have the clearest vision of what is before them, glory and danger alike, and yet notwithstanding go out to meet it.'' As a young man at the dawn of his adulthood, John Topolewski embodied these words. He acted because he thought it his duty to his comrades, his country, and the world, not out of a desire for recognition, glory or awards. Consul General Keghel told him as he gave him the medal ''More than two million American soldiers were sent across the Atlantic Ocean. The French have not forgot their bravery more than eighty years later. Today it is your turn, Mr. John Topolewski, to be honored. You served in dangerous conditions. You belong for sure among the veterans here.''

John Topolewski stands today as a symbol of thousands of nameless heroes of that first great world wide conflict, and the ones which followed. He is a reminder of the humanness in war, of sacrifices made to preserve liberty and regain freedoms withheld. Although I was unable to personally be with him as he received this belated honor, I salute John Topolewski, and thank him on behalf of the people of our nation and freedom lovers world-wide.

RECOGNIZING NATIONAL NEED FOR RECONCILIATION AND HEALING AND RECOMMENDING A CALL FOR DAYS OF PRAYER

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1999

Mr. MOORE. Mr. Speaker, last week the House failed to suspend the rules and agree to a resolution that would have recommended that our nation's leaders call for a day of prayer, fasting, and humiliation before God. The Wichita Eagle, a leading Kansas newspaper, asked the Kansas U.S. Representatives to provide a statement explaining their votes on this proposal. I want to take this opportunity to include my response letter in the RECORD.

CATHY WILFONG,
Wichita Eagle.

DEAR MS. WILFONG: On June 29, 1999, I was asked to vote on House Concurrent Resolution 94, a resolution asking that Congress ''... call the people they serve to observe, a day of solemn prayer, fasting, and humiliation before God.'' I voted against the resolution. Here's why:

As a citizen, I value my own religious freedom so very much that I would be insulted if Congress told me how to pray, or how to honor and how to reconcile my relationship with God. In fact, our country was formed by people who came here seeking religious freedom and seeking to escape the tyranny of a king in England who told them how to pray and what kind of religion they would practice. One of the wonderful things about our country is that every person has an opportunity to practice (or not practice) religion exactly as he/she wishes.

For me, religion is an intensely personal thing. I would never presume to tell somebody else how to pray or practice religion. And I would not appreciate anybody doing that to me.

I was struck by the language in the House Resolution which stated that ''... it is the necessary duty of the people of this Nation not to only to humbly offer up our prayers and needs to Almighty God, but also in a solemn and public manner to confess our shortcomings ...''

I invite the authors of this resolution to read Matthew 6:5–6. According to my Bible, Jesus said: ''And when you pray, you must not be like the hypocrites, for they love to stand and pray in the synagogues and at the street corners, that they may be seen by men. Truly, I say to you, they have received their reward. But when you pray, go into your room and shut the door and pray to your Father who is in secret; and your Father who sees in secret will reward you.''

Just maybe our founding fathers had it right. In matters of faith, perhaps it is best that people have the freedom to practice religion as they wish without instruction from their government or from Congress.

Very truly yours,

DENNIS MOORE,
Member of Congress.

RECOGNIZING MR. EDWARD ''ED'' RENFROW, STATE CONTROLLER OF NORTH CAROLINA

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. ETHERIDGE. Mr. Speaker, I rise today to call the attention of the Congress to State Controller of North Carolina Edward ''Ed'' Renfrow of Smithfield, NC.

On March 19, 1999, the Joint Financial Management Improvement Program (JFMIP) presented Mr. Renfrow with the distinguished 1998 Donald L. Scantlebury Memorial Award for Distinguished Leadership in Financial Management Improvement at their 28th Annual Financial Management Conference in Washington, DC. The JFMIP is a cooperative initiative of the General Accounting Office (GAO), the Office of Management and Budget, the Department of the Treasury, and the Office of Personnel Management to improve financial management practices and policies in the public sector.

The Scantlebury awards were named for the former Chief Accountant of the GAO, and were established to give the highest recognition to government executives who have demonstrated outstanding leadership and improvement in financial management in the public sector. The award was presented to Mr. Renfrow by David M. Walker, Comptroller General of the United States.

Governor James B. Hunt of North Carolina nominated Mr. Renfrow for the award stating, ''Throughout his distinguished career, Ed Renfrow has served the citizens of North Carolina by providing sustained, high quality leadership in financial management at both the state and national levels. Ed has been a strong voice for fiscal accountability and responsibility within government and has been instrumental in reducing costs and promoting the efficiency, effectiveness and economy of government operations. The awards committee could not have recognized a more accomplished leader in the area of financial management and I congratulate him on this prestigious award.''

Mr. Renfrow has distinguished himself through a lengthy career of public service to the people of North Carolina. I am proud to say that I share personal and professional paths with Mr. Renfrow, both of us having grown up in Johnston County and serving together on the North Carolina Council of State from 1989 to 1993. Mr. Renfrow began his career of elective public service in 1974 when he was elected to the North Carolina General Assembly, serving three 2-year Senate terms. In 1980, Mr. Renfrow began his first of three 4-year terms as North Carolina's State Auditor. Mr. Renfrow's current position as North Carolina's State Controller began in 1993 with his appointment by Governor Hunt and subsequent confirmation by the General Assembly. His current term as State Controller ends on June 30, 2001.

I encourage my colleagues to join me in congratulating Edward ''Ed'' Renfrow on this most recent award, continuing recognition of his long career of public service.

''THAT'S WHAT AMERICA MEANS TO ME''

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. PHELPS. Mr. Speaker, I have been fortunate enough to hear from American citizens from all walks of life. I have heard the many voices throughout this nation about what this country means to them. They have expressed their appreciation, love, gratitude and pride for America. I have heard from the veteran who has voiced strong convictions about the value

of military service and the sacrifice of men and women who made this country free. I have listened to the educators and students share their dreams and aspirations for the future. And I have learned from citizens who speak from their hearts about our moral obligation to help the poor, the homeless, and destitute. But, possibly, louder than anyone, I have heard from the silent majority; those who never wave banners, or hold protest rallies, but faithfully take their privilege to vote seriously and always find their ways to the polls. These expressions of pride, deep commitment to principles, and faith in God and Country tell about the greatness of this country.

Mr. Speaker, I have incorporated all of these important ideals in this song I wrote several years ago about my love for this Country. Tomorrow is the Fourth of July, a day that has a very special meaning to me, the Nation, and all the Members of this body. I hope we can all enjoy this song and I am honored to have this opportunity to put it in the CONGRESSIONAL RECORD.

''That's What America Means to Me''

Verse

A place where you can speak your mind and firmly disagree.
If you believe in what you say
just say what you believe.
Where you can choose to work and live
or where you want to pray.
The Land of opportunity;
you can do it your own way.

Chorus

That's what America means to me
Where dreams come true;
It's up to you to be what you want to be.
Though silent your voice will be heard
That's what America means to me.

Verse

Your rights are guaranteed;
they're written down in history.
We help the poor and weary;
we feed the hungry.
Protecting our honor, defend it we must.
We still do pledge allegiance
and still in God We Trust.

RESEARCH DEBATE DESERVES OUR ATTENTION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mr. HYDE. Mr. Speaker, John Kass, a columnist with the Chicago Tribune has written another important article on a sensitive subject, fetal research. I urge my colleagues to read it carefully.

[From the Chicago Tribune, July 1, 1999]

RESEARCH DEBATE TACKLES NEW WORLD SOME DARE NOT BRAVE

(By John Kass)

A discussion begins in Washington on Thursday. It's not about sex or money. It's not about scandals or interest rates or war.

So it might not get the media coverage it deserves.

But it could be the most important debate of our generation. It will determine whether we're going to make it easy on ourselves to make a bargain with science and the future.

Depending on how it comes out and what we settle for, it will determine what kind of human beings we will become, as science moves quicker than our ability to understand its consequences, in areas from human cloning to fetal stem cell research.

And it will answer a question:

Is it right to take human beings and process them as resources to benefit other human beings?

About 100 doctors and scientists have signed a statement from the Center for Bioethics and Human Dignity to oppose something horrible—embryonic and fetal stem cell research, which uses aborted children and viable fertilized embryos to develop cures for some diseases such as Parkinson's and Alzheimer's.

At the news conference, the doctors are being joined by U.S. Sen. Sam Brownback, the joined by U.S. Sen. Sam Brownback, the Republican from Kansas, who is expected to lead a fight against changes in federal policy that now allows the research.

The National Institutes of Health already supports and finances the research using fetuses. Now, the NIH wants to use embryos too.

Among those opposing the research is former U.S. Surgeon General C. Everett Koop.

Some scientists argue that they need the human ''material,'' as they call it, to study how the mind works, in order to attack the horrible diseases.

But doctors who have signed the document say that's wrong. Stem cell research on brain diseases is in its early stages, and there are other means to grow the cells to attack brain diseases.

Sen. Brownback said it is important to realize that the ethical line of using human life for stem cell research need not be crossed.

''For those who say there are moral and ethical issues on the other side, who say we have the moral responsibility to solve diseases like Parkinson's, I say, look at the other possibilities that we have,'' Brownback said Wednesday in an interview.

''We don't have to give up on solving Parkinson's. We have other ways of doing it. And that seems to be a prudent way to proceed,'' he said. ''It's almost every week that another study comes out about advances in adult stem cell research. Let's not get into the situation where you go into all these legal and ethical issues—you'd have enormous ethical and moral issues here, and you shouldn't jump into it.''

The debate over the use of fetal brain tissue in experiments was touched on in this space Monday. And I could hear the angry howling.

I'm not opposing science, or research, or organ donation, or any other reasonable practice. Organ donors offer their consent to have their bodies used by science.

But aborted children don't have that opportunity. They're not asked to give their consent. And they are used in stem cell research to help adults fight brain diseases.

Fifty years ago, the Nuremberg war crimes trials led the world to promise never to use human life in scientific experiments without consent. But now we're changing our minds, in order to win a scientific benefit.

And we cannot make a political deal on this issue without publicly and fully discussing the consequences of such selfish thinking.

Some people argue that to oppose this research is to condemn people with Parkinson's to death.

U.S. Sen. Richard Durbin (D–Ill.) thinks so. Though we disagree on this issue, he should be heard too.

''I think this is valuable research,'' Durbin said. ''We have to set up safeguards that will keep it from becoming commercialized. The important thing about these (fetal) neural cells is that they may be able to help in cases that we can do nothing about now, conditions like that which keep Christopher Reeve in a wheelchair.''

But there are other ways to obtain stem cells, according to the Center for Bioethics and Human Dignity. And even if there weren't other ways, using human babies and embryos should not be allowed.

Stem cells can be obtained from the living human nerve tissues of consenting adults and from adult cadavers, according to researchers. Like the fetal stem cell research, all of this is experimental.

Here's one reason why the fetuses and embryos are used. It's easier. They're available.

And that's the problem.

Because it is easy, and because there is promise in the research, we might be willing—through small steps we don't even notice at the time—to barter something away.

Our humanity.

WORLD HERITAGE COMMITTEE MEDDLING IN THE INTERNAL AFFAIRS OF SOVEREIGN NATIONS—YET AGAIN

HON. HELEN CHENOWETH

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 1, 1999

Mrs. CHENOWETH. Mr. Speaker, can you believe that the Clinton-Gore Administration may be working with the United Nations to override a decision by the sovereign, duly-elected government of Australia regarding an internal land-use issue in that country?

On July 12th the World Heritage Committee of the United Nations Educational Cultural and Scientific Organization (UNESCO) will meet in Paris, France for the purpose of stopping the proposed Jabiluka uranium mine near the Kakadu National Park in the Northern Territory of Australia. Mine opponents were unable to persuade the Australian people and their government to stop the mine, so they have appealed to the World Heritage Committee (WHC) of the United Nations. Since Kakadu National Park is a U.N. World Heritage Site, environmental and anti-nuclear activists want the WHC to have Kakadu declared ''In Danger,'' thus making mine construction very difficult.

The United States is a Member of the 21 nation World Heritage Committee, and the Clinton Administration is being lobbied by U.S. environmental and anti-nuclear activists to oppose Australia and vote in favor of the ''In Danger'' designation. The important issue here is protection of the rights of people in the democratic process of a soverign nation from interference by international bureaucrats with no accountability whatsoever. The Jabiluka mine decision fundamentally affects citizens of Australia and a global organization should not be ceded that role and its associated powers to in which affected Australians have no representation. If the United States does not oppose this interference of the WHC in Australia's internal affairs, then we will hardly be

able to complain when the WHC shows up on our doorstep to review some land-use decision in this country.

I would like to put this letter signed by 40 of my colleagues in the RECORD. The letter urges President Clinton to direct the U.S. Delegation to the World Heritage Committee in Paris not to meddle in the Jabiluka issue in which the United States has no clear national interest—nor any business in becoming involved. I also want to put a newspaper article in the RECORD from the Sydney, Australia Daily Telegraph. This article provides crucial background information on this important issue. I urge every Member to become familiar with this very serious issue.

CONGRESS OF THE UNITED STATES,
Washington, DC, July 1, 1999.

Hon. WILLIAM JEFFERSON CLINTON,
President of the United States of America, The White House, Washington, DC.

DEAR MR. PRESIDENT: As you know, the House of Representatives approved for the third consecutive Congress the American Land Sovereignty Protection Act (H.R. 883) which increases congressional oversight of UNESCO's World Heritage and Biosphere Reserve programs.

This legislation, which has 183 bipartisan cosponsors, is partially a response to the international World Heritage Committee's meddling in a dispute regarding a proposed gold mine located on private property outside the boundary of Yellowstone National Park. Yellowstone has been designated as a World Heritage Site. The World Heritage Committee, a collection of unelected United Nations bureaucrats, voted in Berlin, Germany to declare Yellowstone a World Heritage Site In Danger in an effort to stop the mine. The Committee did not seek local or U.S. congressional input, but acted after only a brief visit to the park in 1995.

All permitting decisions regarding the mine were being considered pursuant to relevant state and federal laws including the National Environmental Policy Act. Actions taken by the World Heritage Committee were intended to short-circuit these laws and influence land use policies in the United States. In short, it amounted to a significant threat to the sovereignty of the United States. Any decision regarding this proposed mine should have been made by U.S. citizens and their elected officials; not by a committee of enelected United Nations bureaucrats meeting in Germany.

We understand the World Heritage Committee, of which the United States is a member, will meet on July 12 in Paris to consider designating the Kakadu National Park in Australia as a World Heritage Site in Danger in an effort to stop the proposed Jabiluka uranium mine which is located near that park—a situation remarkably similar to that in Yellowstone.

The duly elected Government of Australia has performed exhaustive studies regarding the environmental impact of the Jabiluka Mine. Based on these studies, it has concluded that a properly regulated mine will not impair the park. Consequently, Australian government authorities have issued the necessary permits for the mine to proceed, and the Australian government strongly opposes any intervention by the World Heritage Committee.

Australia's environmental record is exemplary. There is another nearby mine, the Ranger mine, which has successfully operated for many years without impairing the park. In fact, one color picture used by the Australian Wilderness Society in its 1999 annual calendar showed an idyllic wilderness scene of Kakadu with the oft-photographed Mt. Brockman in the background and a lovely picturesque lake in the foreground. The lake—home to frogs and crocodiles—also happens to be the Ranger mine's man-made retention pond.

As in the case of Yellowstone, any dispute regarding an Australian mine should be settled by the citizens of Australia working with their elected leaders—not at some obscure World Heritage Committee meeting thousands of miles away in Paris. Our government has no business engaging in exercises of eco-imperialism that undermine the sovereignty of Australia's elected government.

Any action by the U.S. delegation to support a World Heritage Site in Danger status for Kakadu could threaten our foreign relations with Australia which historically has been among our strongest allies. We strongly urge you to direct the U.S. Delegation to the World Heritage Committee in Paris not to meddle in the Jabiluka issue in which the United States has no clear national interest—nor any business in becoming involved.

Sincerely,

Helen Chenoweth, Don Young, Greg Walden, John Doolittle, David McIntosh, Jack Metcalf, Tom Tancredo, Jim Gibbons, Bob Ney, Ron Paul, Van Hilleary, John Shadegg, Joe Knollenberg, Barbara Cubin, John Peterson, Rick Hill, Richard Pombo, Bob Schaffer, George Radanovich, John Hostettler, Frank Lucas, Mike Simpson, Tom Coburn, J.D. Hayworth, Sam Johnson, Asa Hutchinson, Dana Rohrabacher, Roscoe Bartlett, John Duncan, Donald Manzullo, Dave Weldon, Tom DeLay, Jo Ann Emerson, Kevin Brady, Doc Hastings, Bob Stump, Bob Barr, Scott McInnis, Wally Herger, Duncan Hunter,

---

PITTING EMOTION AGAINST REALITY

Maybe, just maybe, the UN is at last showing some spine on environmental and indigenous matters.

It's a big maybe but at least the UN's World Heritage Commission has given the Australian Government six months breathing space to counter the scurrilous propaganda put out by environmentalists and some Aborigines about the development of the Jabiluka uranium mine adjacent to Kakadu national park.

The report, prepared by a committee chaired by Italian Francesco Francioni, is undoubtedly one of the most egregious documents ever to come out of UNESCO.

Environment Minister Senator Robert Hill was not exaggerating when he damned it as ''biased, unbalanced, and totally lacking in objectivity''.

At a time when the United Nations' misguided committees are coming under more fire than ever before, this sort of criticism from a senior figure in a democratic government, unlike most UN members, will attract the concern of senior people up the UN ladder. And it should.

Dr. Francioni's group not only failed to take into account material on Jabiluka which would have added some balance to its report, it actively avoided witnesses who could have shed informed light on the issue and attempted to impugn the integrity of others.

Instead it was spoon-fed the usual pap from green and Aboriginal activists and a mishmash of scientific data from so-called experts who hadn't even visited the site.

In most circles, the omission of evidence from key scientific and Aboriginal groups in such a report would be considered to constitute fraud.

Not unexpectedly, the usual suspects are saying they're outraged that the UN hasn't bought the report.

Well, let them huff and puff and let them explain why the report they cherish contains fundamental and humiliating errors of law.

For example, the report refers to the 1993 Declaration on the Rights of Indigenous Peoples but last we heard, this most contentious document was still being negotiated with just two of its 45 draft articles being settled.

The report seeks to rely on Australia's obligations under two Conventions to which Australia is not a party and it seeks to rely on another Convention relating to stolen or illegally exported cultural exports, to which Australia is not only not a party to, but which is also irrelevant.

The UN mission relied almost exclusively on a submission from four scientists from the ANU, three of whom have never been on the Jabiluka mine site and whose refusal to accept invitations could indicate an alarming degree of partiality.

The mission claims the mine should be stopped because of its visual impact but then conceded that it was not visible to visitors to Kakadu park from the ground.

It also makes reference to the disputed Boyweg cultural site which is not in the World Heritage Area. (By the way, the dispute over the site is between senior traditional custodians at odds about the significance of the area.)

But perhaps most importantly, the report, which relies heavily on the emotional and very public arguments placed before it by the media-savvy Yvonne Margarula, the current senior traditional owner, ignores the fact that traditional owners have twice given their consent to the Jabiluka project.

In 1982, the Mirrar people gave their consent to an agreement with Pancontinental to allow mining on the lease, and they consented again in 1991, when Pancontinental sold its rights to ERA.

Indeed, traditional owner Yvonne Margarula was part of a Mirrar delegation to Canberra in 1991 which vigorously lobbied the Labor government for mining at Jabiluka.

Royalty payments were accepted and the validity of both agreements is supported by the Northern Land Council.

The UN committee, however, wants to introduce a new concept to the law under which agreements can be torn up by successive generations, ushering in an unworkable degree of uncertainty which would cover all agreements with traditional owners.

Interestingly, former NT ALP Senator Bob Collins, has attacked his former colleague, Senator Nick Bolkus, for his uninformed approach to the dispute.

Though most of the ideologically-tainted Australian media chose to ignore Collins, he did take the trouble to read the full report and its annexes and noted that contrary to Senator Bolkus's assertions ''there was no recommendation from the majority of the committee calling for immediate halting to the Jabiluka mine''.

The no-nonsense former senator has also gone on the record to complain about the ''very small group'' of unrepresentative Aboriginal people who were given the opportunity to speak to the UN investigators.

''There is no acknowledgement whatsoever in this UNESCO report—in any part of it—that there is a view of traditional owners of the park that is different from the view that was expressed by the people they spoke to,'' he said in an interview on 2GB.

As the former senator said, all Australians should be concerned about the issues raised.